REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

EN BANC

COMMISSIONER OF INTERNAL REVENUE,
Petitioner,

- versus -

BETHLEHEM HOLDINGS, INC.,
Respondent.

CTA *EB* NO. 2673
(CTA Case No. 9789)

Present:

DEL ROSARIO, *P.J.*,
RINGPIS-LIBAN,
MANAHAN,
BACORRO-VILLENA,
MODESTO-SAN PEDRO,
REYES-FAJARDO,
CUI-DAVID,
FERRER-FLORES, *and*
ANGELES, *JJ.*

Promulgated:
OCT 11 2023 4:28 PM

x - x

DECISION

CUI-DAVID, J.:

Before the Court *En Banc* is a *Petition for Review*[1] filed under Section 3(b), Rule 8 of the Revised Rules of the Court of Tax Appeals (RRCTA), seeking to reverse and set aside the Decision[2] dated December 3, 2021 (assailed Decision) and the Resolution[3] dated August 5, 2022 (assailed Resolution), both rendered by this Court's First Division (Court in Division) in CTA Case No. 9789 entitled "*Bethlehem Holdings, Inc. v. Commissioner of Internal Revenue.*"

The assailed Decision granted respondent's *Petition for Review* and ordered petitioner to refund or issue a tax credit certificate in favor of respondent in the amount of ₱8,004,577.61, representing the latter's excess and unutilized

---
[1] *En Banc (EB)* Docket, pp. 1-7.
[2] *Id.*, pp. 11-32.
[3] *Id.*, pp. 36-38.

creditable withholding taxes (CWTs) for the calendar year (CY) 2015. The assailed Resolution, on the other hand, denied petitioner's motion for reconsideration of the assailed Decision.

THE PARTIES

Petitioner Commissioner of Internal Revenue (CIR) is the government official charged with the administration and enforcement of national internal revenue laws. The CIR is vested with the authority to administer all laws pertaining to internal revenue taxes and vested with the power to decide, approve, and grant refunds or tax credits of overpaid internal revenue taxes as provided by law. The CIR may be served summons through counsels with office address at the Legal Division of the Bureau of Internal Revenue (BIR) – Revenue Region No. 7B, 25th Floor The Podium West Tower, ADB Avenue, Ortigas Center, Mandaluyong City.[4]

On the other hand, respondent Bethlehem Holdings, Inc. is a domestic corporation duly organized and existing under Philippine laws. [5] It is registered with the BIR under Tax Identification Number (TIN) 006-731-601-000, with registered address at 3F Globe Telecom Tower 1, Pioneer Highlands corner Madison Streets, Barangay Barangka, Ilaya, Mandaluyong City.[6]

THE FACTS AND THE PROCEEDINGS

The relevant facts,[7] as found by the Court in Division, remain undisputed, to wit:

> On March 7, 2018, [respondent] filed with the BIR, an *Application for Tax Credits/Refunds* (BIR Form No. 1914), and a letter dated March 1, 2018, applying for the refund of its alleged unutilized CWTs for CY 2015, in the amount of ₱8,004,578.00.
>
> Without waiting for the decision of the [petitioner] on its application for tax credit/refund, [respondent] filed a Petition for Review with this Court on March 23, 2018. The case was initially raffled to this Court's Third Division.

[4] The Parties, Petition for Review, *EB* docket, p. 2.
[5] Exhibit "P-1", Division docket — Vol. II, pp. 638 and 651.
[6] Exhibit "P-2", Division docket — Vol. II, p. 652.
[7] Assailed Decision, *EB* docket, pp. 12-14.

[Petitioner] filed his *Answer* to the Petition for Review on May 16, 2018.

The Pre-Trial Conference was set and held on July 31, 2018. Prior thereto, [petitioner's] Pre-Trial Brief was filed on July 26, 2018; while [respondent's] Pre-Trial Brief was submitted on July 27, 2018.

On August 13, 2018, [petitioner] transmitted the BIR Records for this case, consisting of three hundred forty-six (346) pages in one (1) folder.

On August 15, 2018, the parties submitted their Joint Stipulation of Facts and Issues (JSFI). Subsequently, the Pre-Trial Order dated September 10, 2018 was issued, reiterating, *inter alia*, the facts and issue stipulated in the said JSFI, and deeming the termination of the Pre-Trial Conference.

Due to the reorganization of the Court's three Divisions, the Court issued an Order dated September 25, 2018 transferring the instant case to the First Division.

As trial ensued, [respondent] presented its testimonial and documentary evidence. It offered the testimonies of the following individuals, namely: (1) Mr. James Kenneth Venta, petitioner's Comptroller and Administrative Head; and (2) Mr. Glenn Ian D. Villanueva, the Court-commissioned Independent Certified Public Account (ICPA).

The report of the said ICPA was submitted to the Court on February 20, 2019.

[Respondent] filed its Formal Offer of Evidence (With Motion to Set Commissioner's Hearing) on June 14, 2019. [Petitioner], however, failed file his comment thereon. In the Resolution dated September 13, 2019, the Court granted [respondent's] Motion to Set Commissioner's Hearing, and set the commissioner's hearing on October 17, 2019, and held in abeyance the resolution of [respondent's] Formal Offer of Evidence.

After the conduct of the said commissioner's hearing, [respondent] filed its Supplemental Formal Offer of Evidence on October 22, 2019. [Petitioner] again failed to submit his comment thereon.

In the Resolution dated February 4, 2020, the Court admitted [respondent's] *exhibits*, except for Exhibits "P-24" to "P-25", for failure to submit the originals thereof for comparison.

> Thereafter, on October 19, 2020, [petitioner] filed an Urgent Motion to Cancel [Petitioner's] Presentation of Evidence due to the lack of witnesses. Thus, in the Order dated October 20, 2020, the Court granted [petitioner's] Urgent Motion, and ordered the parties to file their respective memoranda.
>
> On November 19, 2020, [respondent] filed its *Memorandum*. [Petitioner], on the other hand, failed to file his memorandum.

On December 3, 2021, the Court in Division rendered the assailed Decision, the dispositive portion of which reads:

> **WHEREFORE**, in light of the foregoing considerations, the instant Petition for Review is **GRANTED**. Accordingly, [petitioner] is **ORDERED** to **REFUND**, or **ISSUE A TAX CREDIT CERTIFICATE** in the amount of **₱8,004,577.61**, in favor of [respondent], representing its excess and unutilized CWTs for CY 2015.
>
> **SO ORDERED**.

For the Court in Division, respondent has sufficiently proven its entitlement to a refund or issuance of a tax credit certificate for ₱8,004,577.61, representing its excess and unutilized CWTs for TY 2015. Thus, having complied with the requisites for claiming a refund of excess CWTs and shown that the amount thereof was not carried over to succeeding periods, respondent's *Petition for Review* must perforce be granted, says the Court in Division.

Not satisfied, petitioner moved for reconsideration but the same was denied in the equally assailed Resolution of August 5, 2022.

Undeterred, petitioner elevated the case before this Court's *En Banc via* the instant *Petition for Review* filed on August 30, 2022.

In the Resolution[8] promulgated on September 28, 2022, respondent was given a period of ten (10) days from notice to file its comment on petitioner's *Petition for Review*.

[8] *EB* docket, pp. 43-44.

With the filing of respondent's *Comment (Re: Petition for Review dated August 30, 2022)*[9] on October 10, 2022, the instant case was submitted for decision on October 25, 2022.[10]

Hence, this Decision.

THE ISSUE

The lone issue raised by petitioner for this Court's resolution is:

> THE HONORABLE COURT ERRED IN GRANTING THE PETITION FOR REVIEW FILED BY THE RESPONDENT THEREBY ORDERING THE REFUND OR ISSUANCE OF A TAX CREDIT CERTIFICATE IN THE AMOUNT OF ₱8,004,577.61, REPRESENTING EXCESS AND UNUTILIZED CWTs FOR CY 2015, IN FAVOR OF RESPONDENT.

Petitioner's Arguments:

In espousing a stance contrary to the finding of the Court in Division, petitioner claims that it is a well-settled rule in tax laws that taxpayers who feel aggrieved by the actions taken by tax authorities may not seek redress in the courts of justice without first exhausting available administrative remedies, except for certain well-recognized exceptions. Failure of the taxpayer to exhaust all administrative remedies is fatal to its claim considering that the non-exhaustion of administrative remedy is not merely for purposes of formality but is jurisdictional.

According to petitioner, before a judicial inquiry into the issue of whether taxpayers, in general, are entitled to a refund or tax credit under substantive law may be considered, they have an initial burden to discharge. They must prove that they complied with all the administrative requirements continuing up to judicial review.

Allegedly, in the case at bar, respondent has not submitted the documents required by the BIR under Revenue Memorandum Order (RMO) No. 19-2015.[11] Such failure, according to petitioner, cannot be cured by the subsequent filing of the same with the courts as ruled by the Supreme Court

---

[9] *EB* docket, pp. 45-52.
[10] *EB* docket, pp. 55-56.
[11] Subject: BIR Audit Program.

in *Pilipinas Total Gas, Inc. v. Commissioner of Internal Revenue (Pilipinas Total Gas).*[12] For petitioner, had respondent submitted the documents required by the BIR, the latter would have had the opportunity to determine the veracity of its claim and might refund or issue a tax credit certificate for the claimed amount. Hence, petitioner asserts that respondent's claim for a refund must be denied for failure to exhaust administrative remedies.

Respondent's Counter-arguments:

By way of *Comment*, respondent submits that the instant *Petition for Review* should be denied for lack of merit. According to respondent, the arguments interposed by petitioner are mere rehash of his previous arguments which have been duly considered and passed upon in the assailed Decision and Resolution of the Court in Division.

At any rate, respondent counters that not only did petitioner fail to point out the specific provision of RMO No. 19-2015 which it allegedly violated, but a careful perusal of the said RMO also does not mandate an audit upon the taxpayer requesting a refund as a precursor to the filing of a judicial claim for refund.

Also, respondent submits that petitioner's reliance on the *Pilipinas Total Gas* case is misplaced. First, the claim for refund in the said case is based on Section 112(C),[13] the procedures of which differ from the circumstances of the instant case. For another, the BIR did not act on respondent's administrative claim, let alone request from the taxpayer additional documents to which the taxpayer failed to comply. According to respondent, the judicial claim sprung from the inaction of petitioner *vis-à-vis* the impending lapse of the prescriptive period to file administrative and judicial claims. Hence, in elevating the case to this Court, respondent need only show this Court that not only is it entitled under substantive law to its claim for refund,

[12] G. R. No. 207112, December 8, 2015.
[13] Section 112. *Refunds or Tax Credit of Input Tax.* –

xxx xxx xxx

(C) *Period within which Refund or Tax Credit of Input Taxes shall be Made.* — In proper cases, the Commissioner shall grant a refund or issue the tax credit certificate for creditable input taxes within one hundred twenty (120) days from the date of submission of complete documents in support of the application filed in accordance with Subsections (A) and (B) hereof.

In case of full or partial denial of the claim for tax refund or tax credit, or the failure on the part of the Commissioner to act on the application within the period prescribed above, the taxpayer affected may, within thirty (30) days from the receipt of the decision denying the claim or after the expiration of the one hundred twenty-day period, appeal the decision or the unacted claim with the Court of Tax Appeals.

but also that it satisfied all the documentary requirements for an administrative claim.

Further, respondent emphasizes that the issue of exhaustion of administrative remedies in relation to cases of refunds under Sections 204 and 229 of the National Internal Revenue Code (NIRC) of 1997, as amended, has already been settled by no less than the Supreme Court in *Commissioner of Internal Revenue v. Univation Motor Philippines, Inc.*[14] In the said case, the Supreme Court declared that "*for as long as the administrative claim and judicial claim were filed within the two-year prescriptive period, then there was exhaustion of the administrative remedies.*"

Hence, following the aforesaid ruling, respondent submits that the filing of its administrative claim for refund constitutes exhaustion of administrative remedies.

THE COURT EN BANC'S RULING

The instant *Petition for Review* is bereft of merit.

The Court En Banc has jurisdiction over the instant Petition.

First, *We* determine whether the present *Petition for Review* was timely filed.

Records show that on August 5, 2022, the Court in Division promulgated the assailed Resolution which petitioner received on August 12, 2022.

Under Section 3(b), Rule 8[15] of the RRCTA, petitioner had fifteen (15) days from August 12, 2022, or until August 27, 2022, to file his *Petition for Review* before the Court *En Banc.* Considering that August 27, 2022 fell on a Saturday and August 29, 2022 fell on a legal holiday, the deadline for filing the *Petition*

---

[14] G.R. No. 231581, April 10, 2019.

[15] SEC. 3. *Who may appeal; period to file petition.* —

... ...

(b) A party adversely affected by a decision or resolution of a Division of the Court on a motion for reconsideration or new trial may appeal to the Court by filing before it a petition for review within fifteen days from receipt of a copy of the questioned decision or resolution. Upon proper motion and the payment of the full amount of the docket and other lawful fees and deposit for costs before the expiration of the reglementary period herein fixed, the Court may grant an additional period not exceeding fifteen days from the expiration of the original period within which to file the petition for review.

for Review was on August 30, 2022, under Section 1, Rule 22[16] of the Revised Rules of Court.

Evidently, the filing of the instant *Petition for Review* through registered mail on August 30, 2022, was on time.

Having settled that the *Petition for Review* was timely filed, *We* likewise rule that the CTA *En Banc* has validly acquired jurisdiction to take cognizance of this case under Section 2(a)(1), Rule 4 of the RRCTA.

Now, on the merits.

The Court in Division did not err in granting respondent's Petition for Review and ordering the refund or issuance of a Tax Credit Certificate for ₱8,004,577.61 in its favor.

In his attempt to reverse and set aside the assailed Decision and Resolution of the Court in Division, petitioner asserts that respondent's claim for refund should be denied for failure to exhaust administrative remedies by not submitting all the documents required by RMO No. 19-2015 in the administrative level. For petitioner, had respondent submitted the documents required by the BIR, the latter would have had the opportunity to determine the veracity of its claim and might refund or issue a tax credit certificate for the claimed amount. Petitioner added that such failure cannot be cured by the subsequent filing of an appeal with the courts, citing the jurisprudential pronouncement in *Pilipinas Total Gas,* where the Supreme Court allegedly made a distinction between what has been resolved at the administrative level and what may be reviewed in the judicial or appellate level.

The Court *En Banc* is not persuaded.

[16] Section 1. *How to compute time.* – In computing any period of time prescribed or allowed by these Rules, or by order of the court, or by any applicable statute, the day of the act or event from which the designated period of time begins to run is to be excluded and the date of performance included. If the last day of the period, as thus computed, falls on a Saturday, a Sunday, or a legal holiday in the place where the court sits, the time shall not run until the next working day.

Indeed, a plain reading of the instant *Petition of Review* reveals that petitioner's arguments therein are almost a *verbatim* quote of petitioner's flawed arguments in his *Motion for Reconsideration (Decision dated 3 December 2021)*[17] filed on February 2, 2022, which the Court in Division already resolved and passed upon in the assailed Decision and Resolution. To discuss them anew is superfluity. Nevertheless, and if only to put petitioner's mind to rest as well as to reinforce the discussion in the assailed Decision and Resolution, the Court *En Banc* will address the matters herein raised.

At the outset, it bears stressing that *Pilipinas Total Gas* does not apply largely because the facts of the said case are different from the facts of the present case. As the Court in Division pointed out, petitioner's attempt to link the jurisprudential pronouncement in *Pilipinas Total Gas* to the alleged failure of respondent to submit complete documents at the administrative level is erroneous and misplaced. *First*, and in contrast to *Pilipinas Total Gas*, the claim for refund in the instant case is under Sections 76, 204, and 229 of the NIRC of 1997, as amended. Second, respondent's cause of action in elevating its case before the Court is anchored on petitioner's "*inaction*" on its administrative claim for refund.

It must be emphasized that the issue of exhaustion of administrative remedies in relation to refund claims under Sections 204 and 229 of the NIRC of 1997, as amended, has been put to rest in the case of *Commissioner of Internal Revenue v. Univation Motor Philippines, Inc. (Univation),*[18] where the Supreme Court aptly explained, thus:

> Sections 204 and 229 of the National Internal Revenue Code (NIRC) provide for the refund of erroneously or illegally collected taxes. Section 204 applies to administrative claims for refund, while Section 229 to judicial claims for refund. Thus:
>
> SEC. 204. *Authority of the Commissioner to Compromise, Abate and Refund or Credit Taxes.* — The Commissioner may —
>
> xxx xxx xxx

[17] Division docket, pp. 963-968.
[18] *Supra*, Note 14.

> (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.

Section 229 of the 1997 NIRC provides:

> 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. *Provided, however,* That the Commissioner may, even without a written claim therefor, refund or credit any tax, where on the face of the return upon which payment was made, such payment appears clearly to have been erroneously paid.

Indeed, the two-year period in filing a claim for tax refund is crucial. While the law provides that the two-year period is counted from the date of payment of the tax, jurisprudence, however, clarified that the two-year prescriptive period to claim a refund actually commences to run, at the earliest, on the date of the filing of the adjusted final tax return because this is where the figures of the gross receipts and deductions have been audited and adjusted,

reflective of the results of the operations of a business enterprise. "Thus, it is only when the Adjustment Return covering the whole year is filed that the taxpayer would know whether a tax is still due or a refund can be claimed based on the adjusted and audited figures."

In the instant case, the two-year period to file a claim for refund is reckoned from April 15, 2011, the date respondent filed its Final Adjustment Return. Since respondent filed its administrative claim on March 12, 2012 and its judicial claim on April 12, 2013, therefore, both of respondent's administrative and judicial claim for refund were filed on time or within the two-year prescriptive period provided by law. Under the circumstances, **if respondent awaited for the commissioner to act on its administrative claim (before resort to the Court), chances are, the two-year prescriptive period will lapse effectively resulting to the loss of respondent's right to seek judicial recourse and worse, its right to recover the taxes it erroneously paid to the government. Hence, respondent's immediate resort to the Court is justified**.

Contrary to petitioner CIR's assertion, **there was no violation of the doctrine of exhaustion of administrative remedies**. The Court ruled:

> x x x the Court agrees with the ratiocination of the CTA *En Banc* in debunking the alleged failure to exhaust administrative remedies. Had CBK Power awaited the action of the Commissioner on its claim for refund prior to taking court action knowing fully well that the prescriptive period was about to end, it would have lost not only its right to seek judicial recourse but its right to recover the final withholding taxes it erroneously paid to the government thereby suffering irreparable damage.

The law only requires that an administrative claim be priorly filed. That is, to give the BIR at the administrative level an opportunity to act on said claim. **In other words, for as long as the administrative claim and the judicial claim were filed within the two-year prescriptive period, then there was exhaustion of the administrative remedies**. (*Citations omitted; emphasis supplied*)

Clearly, for as long as the administrative and judicial claims for refund were filed within the two-year reglementary period, there is no violation of the doctrine of exhaustion of administrative remedies. Moreover, there is nothing in our laws and jurisprudence that supports petitioner's position that the exhaustion of an administrative claim for tax refund is a

condition precedent that must be completely acted upon by the BIR before a judicial claim for refund may be filed by the taxpayer concerned.[19]

The same principles apply in the present case. Here, respondent filed its Annual Income Tax Return (ITR) for CY 2015 on *March 23, 2016* (which was later amended on September 29, 2017). Counting two (2) years from the filing of the original Final Adjustment Return or Annual ITR, respondent had until *March 23, 2018*, to file both administrative and judicial claims for refund of its alleged unutilized or excess CWTs for CY 2015.

Respondent filed its administrative claim for refund with the BIR on *March 7, 2018*, while its judicial claim was filed on *March 23, 2018*. Both claims for refund of unutilized/excess CWTs were seasonably filed within the two-year prescriptive period; hence, following the *Univation* case, there was an exhaustion of administrative remedies in this case.

The Court *En Banc* likewise rejects petitioner's assertion that respondent's failure to submit the documents required by the BIR under RMO No. 19-2015 cannot be cured by the subsequent filing of the same documents before the CTA.[20] Respondent's failure to comply with the requirements of its administrative claim for CWT refund/credit does not preclude its judicial claim.

In *Commissioner of Internal Revenue v. Philippine Bank of Communications,* [21] the Supreme Court reiterated its previous ruling that cases before the CTA are litigated *de novo* where party litigants should prove every minute aspect of their cases, *viz.*:

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

[19] *Philippine National Bank v. Commissioner of Internal Revenue*, G.R. Nos. 242647 & 243814 & 242842-43 (Notice), March 15, 2022.
[20] Petition for Review, Discussion, *EB* Docket, p. 4.
[21] G.R. No. 211348, February 23, 2022.

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

In *Univation,* the Supreme Court explained that the CTA is not limited by the evidence presented in the administrative claim.[22]

Thus, since the claim for tax refund/credit was litigated anew before the CTA, the latter's decision should be solely based on the evidence formally presented before it, notwithstanding any pieces of evidence that may have been submitted (or not submitted) to the CIR. What is vital in the determination of a judicial claim for a tax refund or credit of CWT is the evidence presented before the CTA, regardless of the body of evidence found in the administrative claim.[23]

At any rate, a cursory reading of RMO No. 19-2015 reveals that it did not state that the failure to submit the required documents is tantamount to a non-filed claim.

Jurisprudence dictates that a taxpayer need not await the BIR's action on an administrative claim before going to the CTA.

In *Commissioner of Internal Revenue v. Philippine Bank of Communications (PBCOM),*[24] the Supreme Court held that there is no mention in the law that the claim before the CIR should be acted upon first before a judicial claim may be filed, *viz.*:

> In any event, **the independence of the judicial claim for a tax credit/refund CWT from its administrative counterpart is implied in the National Internal Revenue Code (NIRC)**, which allows the filing of both claims contemporaneously within the two-year prescriptive period. Sections 204 (C) and 229 of the NIRC provide:
>
> ... ...
>
> The above provisions require both administrative and judicial claims to be filed within the same two-year prescriptive period. With reference to Section 229 of the NIRC, the only requirement for a judicial claim of tax credit/refund

[22] *Id.*
[23] *Id.*
[24] *Supra*, Note 21.

> to be maintained is that a claim of refund or credit has been filed before the CIR; **there is no mention in the law that the claim before the CIR should be acted upon first before a judicial claim may be filed.**
>
> Clearly, the legislative intent is to treat the judicial claim as independent and separate action from the administrative claim; provided that the latter must be filed in order for the former to be maintained. While the CIR should be given opportunity to act on PBCOM's claim, **PBCOM should not be faulted for lawfully filing a judicial claim before the expiration of the two-year prescriptive period, notwithstanding the alleged defects in its administrative claim.** This is considering that, unlike administrative claims for Input Tax refund/credit before the CIR, which have a required specific period of action (the expiration of which shall be deemed as a denial), there is no such period of action required in administrative claims for CWT refund/credit before the CIR.
>
> Indeed, petitioner's arguments regarding the prematurity of the judicial claims are untenable. *(Boldfacing Supplied)*

As the Court in Division correctly ruled, and *We* quote:

> Petitioner need not wait for the resolution on the administrative claim for refund before filing the judicial claim. In *Commissioner of Internal Revenue vs. Goodyear Philippines, Inc.*, the Supreme Court ruled as follows:
>
> ... ...
>
> **For as long as the administrative claim and the judicial claims were filed within the two-year prescriptive period, then there is exhaustion of administrative remedies**. Had petitioner waited for the resolution on its administrative claim even beyond the two-year prescriptive period, it could no longer validly seek judicial recourse after the expiration thereof. Hence, the filing of the judicial claim on March 23, 2018 by petitioner is proper. (*Citations omitted; emphasis supplied*)

Accordingly, the Court in Division committed no error in holding that there was no violation of the doctrine of exhaustion of administrative remedies in the instant case.

All told We affirm the Court in Division's findings that respondent has sufficiently proven its entitlement to a refund or issuance of a tax credit certificate in the amount of ₱8,004,577.61, representing its excess and unutilized CWTs for CY 2015, by complying with all the requisites for claiming a refund or tax credit of excess CWTs.

WHEREFORE, premises considered, the *Petition for Review* filed by the Commissioner of Internal Revenue is **DENIED** for lack of merit. The assailed Decision dated December 3, 2021, and Resolution dated August 5, 2022, are **AFFIRMED**.

SO ORDERED.

LANEE S. CUI-DAVID
Associate Justice

We Concur:

ROMAN G. DEL ROSARIO
Presiding Justice

MA. BELEN M. RINGPIS-LIBAN
Associate Justice

CATHERINE T. MANAHAN
Associate Justice

JEAN MARIE A. BACORRO-VILLENA
Associate Justice

MARIA ROWENA MODESTO-SAN PEDRO
Associate Justice

MARIAN IVY F. REYES-FAJARDO
Associate Justice

CORAZON G. FERRER-FLORES
Associate Justice

ON LEAVE
HENRY SUMAWAY ANGELES
Associate Justice

CERTIFICATION

Pursuant to Article VIII, Section 13 of the Constitution, it is hereby certified that the conclusions in the above Decision were reached in consultation before the case was assigned to the writer of the opinion of the Court.

ROMAN G. DEL ROSARIO
Presiding Justice