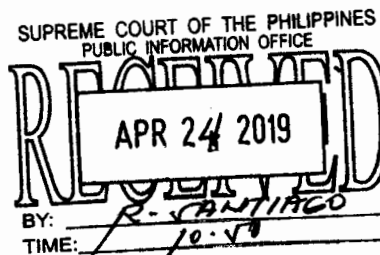




REPUBLIC OF THE PHILIPPINES  
SUPREME COURT  
Manila

SECOND DIVISION

NOTICE



Sirs/Mesdames:

Please take notice that the Court, Second Division, issued a Resolution dated **27 March 2019** which reads as follows:

**G.R. No. 240532 – Commissioner of Internal Revenue (CIR) and the Commissioner of Customs (COC) versus Philippine Airlines, Inc. (PAL)**

After reviewing the Petition and its annexes, including the Amended Decision<sup>1</sup> dated February 13, 2018 and Resolution<sup>2</sup> dated June 19, 2018 of the Court of Tax Appeals (CTA) *En Banc* in CTA EB No. 1363, the Court resolves to **DENY** the same for failure of the petitioners to sufficiently show that the CTA *En Banc* committed any reversible error in the assailed Decision and Resolution as to warrant the exercise of this Court's discretionary appellate jurisdiction.

In *Commissioner of Internal Revenue v. Philippine Airlines, Inc.*,<sup>3</sup> this Court already categorically ruled that the tax privilege of the respondent provided in Section 13 of Presidential Decree No. (PD) 1590 has not been revoked by the National Internal Revenue Code of 1997, as amended by Republic Act No. (RA) 9334. The Court explained that while the repealing section of RA 9334 states that “*the provisions of any special or general law to the contrary notwithstanding,*” such phrase left alone cannot be considered to have repealed the exemptions granted under the respondent's franchise because it fails to specifically identify PD 1590 as one of the acts intended to be repealed<sup>4</sup> — a requirement set forth by Congress in Section 24 of PD 1590.

Moreover, the Court, in subsequent cases involving the legal issue of whether the respondent, pursuant to Section 13 of PD 1590, is exempt from the payment of excise taxes on its importation of alcohol and tobacco products for its commissary supplies, consistently echoed the ruling in the afore-cited case.<sup>5</sup> Hence, it is erroneous for the petitioners to continuously insist that the respondent's privileges under PD 1590 no longer stand.

<sup>1</sup> *Rollo* pp. 140-153. Penned by Presiding Justice Roman G. Del Rosario, with Associate Justices Lovell R. Bautista, Erlinda P. Uy, Caesar A. Casanova, Esperanza R. Fabon-Victorino, Ma. Belen M. Ringpis-Liban and Catherine T. Manahan concurring; Associate Justice Juanito C. Castañeda, Jr. joined in the Concurring and Dissenting Opinion (*id.* at 154-159) of Associate Justice Cielito N. Mindaro-Grulla.

<sup>2</sup> *Id.* at 162-166. Penned by Presiding Justice Roman G. Del Rosario, with Associate Justices Lovell R. Bautista, Erlinda P. Uy, Caesar A. Casanova, Esperanza R. Fabon-Victorino and Ma. Belen M. Ringpis-Liban concurring; Associate Justice Juanito C. Castañeda, Jr. joined in the Concurring and Dissenting Opinion of Associate Justice Cielito N. Mindaro-Grulla who maintained her Concurring and Dissenting Opinion dated February 13, 2018; Associate Justice Catherine T. Manahan was on leave.

<sup>3</sup> 742 Phil. 84 (2014).

<sup>4</sup> *Id.* at 93.

<sup>5</sup> See *Republic v. Philippine Airlines, Inc.*, 763 Phil. 108 (2015) and *Commissioner of Internal Revenue v. Philippine Airlines, Inc.*, 806 Phil. 358 (2017).

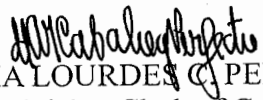
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As regards the respondent's noncompliance with the conditions set by Section 13 of PD 1590 for its imported wines and liquors, the Court notes that these are factual determinations that are best left to the CTA and cannot be reviewed by this Court under Rule 45. The CTA is a highly specialized body that reviews tax cases and conducts trial *de novo*.<sup>6</sup> Thus, without any showing that the findings of the CTA are completely unsupported by substantial evidence, as in this case, its findings are binding on this Court.<sup>7</sup>

Verily, the Court finds no reason to deviate from the CTA *En Banc* findings. The assailed Decision and Resolution of the CTA *En Banc* are hereby **AFFIRMED**.

**SO ORDERED.**"

Very truly yours,

  
MARIA LOURDES C. PERFECTO  
Division Clerk of Court<sup>12</sup>

By:

TERESITA AQUINO TUAZON  
Deputy Division Clerk of Court

22 APR 2019

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<sup>6</sup> See *Commissioner of Internal Revenue v. Philippine Airlines, Inc.*, id. at 372.

<sup>7</sup> See *Republic v. Philippine Airlines, Inc.*, supra note 5, at 118.

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