THIRD DIVISION

[G.R. No. 219340; April 28, 2021]

COMMISSIONER OF INTERNAL REVENUE, *Petitioner*, *v.* **STANDARD INSURANCE CO., INC.**, *Respondent*.

R E S O L U T I O N

HERNANDO, *J.*:

For Our Resolution is the Motion for Reconsideration[1] of the November 7, 2018 Decision[2] which granted the Petition for Review on *Certiorari*[3] of petitioner Commissioner of Internal Revenue (CIR), which sought the reversal of the May 8, 2015 Decision[4] and the July 10, 2015 Order[5] in Civil Case No. 14-1330 by the Regional Trial Court (RTC), Branch 66 of Makati City.

The RTC Decision and RTC Order granted respondent Standard Insurance Co. Inc.'s (Standard Insurance) Petition for Declaratory Relief and permanently enjoined the CIR and its agents from implementing Sections 108 and 184 of the National Internal Revenue Code (NIRC) against Standard Insurance until Congress enacts House Bill No. 3235 (HB 3235) entitled *An Act Rationalizing the Taxes Imposed on Non-Life Insurance Policies* into law.[6]

---

[1] *Rollo*, pp. 404-472.

[2] Id. at 394-403; penned by Chief Justice Lucas P. Bersamin (now a retired Member of this Court) and concurred in by Associate Justices Francis H. Jardeleza (now a retired Member of this Court), Noel Gimenez Tijam (now a retired Member of this Court), and Andres B. Reyes, Jr. (now a retired Member of this Court). Associate Justice Alexander G. Gesmundo was on wellness leave.

[3] Id. at 25-72.

[4] Id. at 76-85; penned by Presiding Judge Joselito C. Villarosa.

[5] Id. at 73-75.

[6] Id. at 73-85.

Supreme Court E-Library

The Antecedent Facts:

Petitioner CIR is the head of the Bureau of Internal Revenue (BIR), a government agency tasked with the power and duty of assessing and collecting all national internal revenue taxes, fees, and charges among others.[7] Respondent Standard Insurance is a domestic corporation duly organized and existing under Philippine laws and engaged in the business of non-life insurance.[8]

On February 13, 2014, respondent received from the BIR a Preliminary Assessment Notice (PAN) regarding its liability amounting to ₱377,038,679.55 arising from a deficiency in the payment of documentary stamp taxes (DST) for taxable year 2011.[9] Standard Insurance contested the PAN[10] but the CIR nonetheless sent it a formal letter of demand.[11] Although respondent requested reconsideration,[12] it received on December 4, 2014 the Final Decision on Disputed Assessment (FDDA) dated November 25, 2014, declaring its liability for the DST deficiency, including interest and compromise penalty, totaling ₱418,830,567.46.[13] On December 11, 2014, it sought reconsideration of the FDDA, and objected to the tax imposed pursuant to Section 184 of the NIRC as violative of the constitutional limitations on taxation.[14]

Meanwhile, respondent also received a demand for the payment of its deficiency income tax, value-added tax (VAT), premium tax, DST, expanded withholding tax, and fringe benefit tax for taxable year 2012 which respondent protested in its letter dated December 10, 2014 on the ground that the VAT rate and DST rate imposed on premiums charged on non-life property insurance

---

[7] Id. at 26.

[8] Id. at 132.

[9] Id. at 98.

[10] Id. at 103.

[11] Id. at 104-108.

[12] Id. at 109-115.

[13] Id. at 116-120.

[14] Id. at 135.

Supreme Court E-Library

pursuant to Sections 108 and 184 of the NIRC are violative of the constitutional limitations on taxation.[15] Respondent also received a demand for payment of deficiency DST for taxable year 2013.[16]

On December 19, 2014, Standard Insurance commenced Civil Case No. 14-1330 in the RTC with prayer for issuance of a temporary restraining order (TRO) and a writ of preliminary injunction (WPI) for the judicial determination of the constitutionality of Sections 108 and 184 of the NIRC with respect to the taxes charged against the non-life insurance companies.[17]

In its Petition, the respondent contended that the facts of the case must be appreciated in light of the effectivity of Republic Act No. 10001 (RA 10001) entitled *An Act Reducing the Taxes on Life Insurance Policies*, whereby the tax rate for life insurance premiums was reduced from 5% to 2%; and the pendency of deliberations on House Bill 3235, whereby an equal treatment for both life and non-life companies was being sought as a response to the supposed inequality generated by the enactment of RA 10001.[18]

Ruling of the Regional Trial Court:

On December 23, 2014, the RTC issued a TRO enjoining the BIR, its agents, representatives, assignees, or any persons acting for and in its behalf from implementing the provisions of the NIRC adverted to with respect to the FDDA for the respondent's taxable year 2011, and to the pending assessments for taxable years 2012 and 2013.[19]

On January 13, 2015, the RTC issued an Order granting the application for WPI of respondent and thereby ordering the CIR and his/her representatives to refrain from further proceeding with the implementation or enforcement of Sections 108 and 184 of

---

[15] Id. at 121-129, 135.

[16] Id. at 136.

[17] Id. at 395.

[18] Id. at 130-160.

[19] Id. at 77.

Supreme Court E-Library

the NIRC *until further orders*, upon posting by respondent of the requisite bond.[20]

Thereafter, the RTC issued the WPI on January 14, 2015 and an Order on February 18, 2015: (a) dismissing the CIR's motion to set hearing for dismissal of the case on the ground that the issues contained therein can be resolved simultaneously with the main case; (b) denying the CIR's motion for reconsideration to the RTC's issuance of the WPI on January 13, 2015; and (c) denying Standard Insurance's motion to declare petitioner in default.[21] The RTC Orders dated January 13, 2015 and February 18, 2015 thereafter became the subject of a Petition for *Certiorari* filed with the Court of Appeals (CA).

On May 8, 2015, the RTC rendered its Decision holding that although taxes were self-assessing, the tax system merely created liability on the part of the taxpayers who still retained the right to contest the particular application of the tax laws; and holding that the exercise of such right to contest was not considered a breach of the provision itself as to deter the action for declaratory relief, and decreed thusly.[22] The dispositive portion of the RTC Decision reads:

> **WHEREFORE**, premises considered, the respondent, its agents, representatives, or any persons acting on its behalf is hereby permanently enjoined from proceeding with the implementation or enforcement of Sections 108 and 184 of the National Internal Revenue Code against petitioner Standard Insurance Co., Inc. until the Congress shall have enacted and passed into law House Bill No. 3235 in conformity with the provisions of the Constitution.
>
> **SO ORDERED.**[23]

The CIR moved for reconsideration which the trial court denied for lack of merit in its July 10, 2015 Order.[24]

---

[20] Id. at 302-305.

[21] Id. at 306-307.

[22] Id. at 76-85.

[23] Id. at 85.

[24] Id. at 73-75.

Ruling of the Court of Appeals:

On April 27, 2014, petitioner filed a Petition for *Certiorari* before the CA pursuant to Rule 65 of the Rules of Court to (a) set aside the Orders dated January 13, 2015 and February 18, 2015 of the RTC granting respondent's application for issuance of a WPI and subsequent denial of the MR; and (b) dissolve the WPI dated 14 January 2015.[25] The Petition, which was docketed as CA-G.R. SP No. 140403, was later dismissed by the appellate court in its October 30, 2015 Resolution for failure of the petitioner to comply with the CA's August 19, 2015 Resolution to submit copies of pertinent pleadings.[26]

Assailed Decision of the Court:

On September 7, 2015, petitioner filed a Petition for Review on *Certiorari* before Us praying for the reversal and setting aside of the RTC Decision and RTC Order on the following grounds: (a) The RTC erred in taking cognizance of the case because a Petition for Declaratory Relief is not applicable to contest tax assessments and the petition is fatally defective for failing to satisfy the basic requisites under Rule 63 of the Rules of Court; (b) The RTC erred in adjudging Sections 108 and 184 of the NIRC as violative of the equal protection clause; (c) The RTC gravely erred in granting injunctive relief in favor of respondent, the same being specifically prohibited by Section 218 of the NIRC and for having been issued despite the absence of a clear legal right; and (d) The RTC erred in granting the relief provided in the RTC Decision since the resultant remedy falls outside the purview of an action for declaratory relief and it is violative of the rule that judicial decisions must finally determine the rights, obligations, and responsibilities of parties.[27]

On November 7, 2018, We rendered the assailed Decision granting the Petition for Review on *Certiorari*.[28] We ruled that

---

[25] Id. at 297.

[26] Id. at 314-315.

[27] Id. at 25-71.

[28] Id. at 394-403.

Supreme Court E-Library

the RTC grossly erred and acted without jurisdiction in giving due course to the petition for declaratory relief and permanently enjoining the enforcement of Sections 108 and 184 of the NIRC, in violation of Section 218 of the NIRC and Section 11 of Republic Act No. 1125. The dispositive portion of the assailed Decision reads:

> **WHEREFORE**, the Court **GRANTS** the petition for review on *certiorari*; **ANNULS** and **SETS ASIDE** the decision rendered in Civil Case No. 14-1330 on May 8, 2015 by the Regional Trial Court, Branch 66, in Makati City; **DISMISSES** Civil Case No. 14-1330 on the ground of lack of jurisdiction; **QUASHES** the writ of preliminary injunction issued against the Commissioner of Internal Revenue in Civil Case No. 14-1330 for being issued without jurisdiction; and **ORDERS** the respondent to pay the costs of suit.[29]

We opined that respondent's Petition for Declaratory Relief failed to comply with the requisites for the said action, since the subject provisions, *i.e.*, Sections 108 and 184 of the NIRC have been infringed by respondent prior to the institution of the action. Moreover, respondent's allegation that it could be rendered insolvent through the imposition of taxes imposed by Sections 108 and 184 of the NIRC did not result in the action for declaratory relief becoming an actual controversy ripe for judicial determination.

Hence, this Motion for Reconsideration.

Respondent argues that the Court erred in not dismissing the Petition outright on the ground that petitioner committed deliberate and willful commission of forum shopping, and that the issues raised in the Petition are factual in nature and are barred under Rule 45 of the Rules of Court. Moreover, respondent alleges that the RTC has jurisdiction to take cognizance of respondent's action for declaratory relief and that the latter has fully satisfied the essential requisites of a petition for declaratory relief under Rule 63 of the Rules of the Court.[30]

---

[29] Id. at 401-402.

[30] Id. at 37-44.

Lastly, the respondent argues that the Court erred in disregarding its clear and unmistakable right to equal protection to uniformity and equitability of taxation, in relying in Section 218 of the NIRC and in not finding that the RTC has jurisdiction to issue injunctive writs and the latter lie against the implementation of unconstitutional statutes, and in finding that the RTC violated the rule that judicial decisions must finally determine the rights, obligations and responsibilities of the parties.[31]

Issues

To dispose of the instant case, the following issues must be resolved:

First, whether the Petition must be dismissed on the ground of forum shopping and/or non-compliance with the certification against forum shopping requirement;

Second, whether the Petition must be dismissed on the ground of raising issues of fact, which are barred under a Rule 45 petition;

Third, whether the RTC had the jurisdiction to take cognizance of respondent's petition for declaratory relief and issue injunctive relief against the implementation of Sections 108 and 184 of the NIRC; and

Fourth, whether the RTC should have dismissed respondent's petition for declaratory relief for failure to comply with the essential requisites of a petition for declaratory relief under Rule 63 of the Rules of Court.

We resolve to deny the motion for reconsideration for lack of merit.

Petitioner is not guilty of forum shopping and has complied with the certification against non-forum shopping requirement under Section 4, Rule 45 of the Rules of Court.

[31] Id. at 44-56.

Supreme Court E-Library

Forum shopping exists when, as a result of an adverse decision in one forum, or in anticipation thereof, a party seeks a favorable opinion in another forum through means other than appeal or *certiorari*. There is forum shopping when the elements of *litis pendencia* are present or where a final judgment in one case will amount to *res judicata* in another. They are as follows: (a) identity of parties, or at least such parties that represent the same interests in both actions, (b) identity of rights or causes of action, and (c) identity of reliefs sought.[32]

In sum, both actions must involve the same transaction, same essential facts and circumstances and must raise identical causes of action, subject matter, and issues. Clearly, forum shopping does not exist where different orders were questioned, two distinct causes of action and issues were raised, and two objectives were sought.[33]

Under the foregoing test, we find that petitioner did not commit forum shopping in filing the instant Petition during the pendency of CA-G.R. SP No. 140403 with the CA.

A careful reading of the allegations of the instant Petition with the Court and the Petition for *Certiorari* filed with the CA indicate that the elements of *litis pendencia* are not present. At the outset, petitioner assailed different orders of the RTC — the first pertaining to interlocutory orders of the RTC in connection with the grant of the WPI and the other which decided the main action. Moreover, a comparison of the allegations and reliefs sought in the instant Petition and the Petition for *Certiorari* undoubtedly shows that petitioner prayed for different reliefs and ultimately, sought different objectives.

Being interlocutory in nature, the RTC orders assailed in CA-G.R. SP No. 140403 dealt with the preliminary matter of whether the implementation of Sections 108 and 184 of the NIRC against respondent should be held in abeyance at a stage when the trial on the merits has yet to be held and the judgment rendered. Thus,

---

[32] *Polanco v. Cruz*, 598 Phil. 953, 958 (2009).

[33] *Jose v. Javellana*, 680 Phil. 13, 24 (2012).

Supreme Court E-Library

petitioner, in assailing the RTC orders which granted and upheld the WPI in favor of respondent, merely sought the dissolution of the said writ which prevented petitioner from implementing Sections 108 and 184 against respondent *until further orders and while the main case had yet to be decided on the merits*.

On the other hand, the RTC Order and RTC Decision assailed in the instant Petition were in the nature of a final judgment or order which disposed of the main case on the merits. This is so since the Petition for Declaratory Relief was granted, thereby permanently enjoining petitioner from enforcing Sections 108 and 184 of the NIRC against respondent until the Congress shall have enacted and passed into law HB 3235 in conformity with the provisions of the Constitution. Being in the nature of a final judgment, petitioner merely pursued his correct remedy, which was to file a Petition for Review on *Certiorari* under Rule 45 of the Rules of Court.

In any event, we note that the issue on forum shopping may be considered moot once the proliferation of contradictory decisions, which is precisely what the prohibition on forum shopping seeks to avoid, is no longer possible.[34] In connection thereto, CA-G.R. SP No. 140403 has already been dismissed by the appellate court on technical grounds; hence, the danger which the rules on forum shopping seeks to prevent will no longer materialize in the instant case.

Respondent's claim that petitioner failed to comply with the requirement for a certification against forum shopping must likewise fail. Section 4, Rule 45 of the Rules of Court provides that the sworn certification against forum shopping must be attached to the petition for review on *certiorari*.[35] In contrast, there is no

---

[34] *Belo Medical Group, Inc. v. Santos*, 817 Phil. 381 (2017).

[35] RULES OF COURT, Rule 45, sec. 4. It reads:
Section 4. *Contents of petition*. — **The petition shall** be filed in eighteen (18) copies, with the original copy intended for the court being indicated as such by the petitioner and shall (a) state the full name of the appealing party as the petitioner and the adverse party as respondent, without impleading the lower courts or judges thereof either as petitioners or respondents; (b) indicate the material dates showing when notice of the judgment or final order or resolution subject thereof

Supreme Court E-Library

requirement that motions for extension of time be accompanied by a certification against forum shopping.[36]

While the Court is not unaware that petitioner failed to disclose the proceedings in the CA in the certification against forum shopping attached to its motion for extension of time to file the Petition, we emphasize that petitioner nevertheless promptly disclosed the said proceedings when it timely filed the Petition with the required sworn certification against forum shopping. Thus, we consider the same to be sufficient compliance with the requirement.

Petition raises only questions of law that are cognizable through a Rule 45 petition.

It is settled that only questions of law should be raised in a petition for review on *certiorari* filed under Rule 45 of the Rules of Court.[37]

A question of law exists when the doubt or controversy concerns the correct application of law or jurisprudence to a certain set of facts; or when the issue does not call for an examination of the

---

was received, when a motion for new trial or reconsideration, if any, was filed and when notice of the denial thereof was received; (c) set forth concisely a statement of the matters involved, and the reasons or arguments relied on for the allowance of the petition; (d) be accompanied by a clearly legible duplicate original, or a certified true copy of the judgment or final order or resolution certified by the clerk of court of the court *a quo* and the requisite number of plain copies thereof, and such material portions of the record as would support the petition; and **(e) contain a sworn certification against forum shopping as provided in the last paragraph of section 2, Rule 42**. (2a) (Emphasis supplied)

[36] *Mega-Land Resources and Development Corp. v. C-E Construction Corp.*, 555 Phil. 591 (2007).

[37] RULES OF COURT, Rule 45, sec. 1. It reads:
SECTION 1. Filing of petition with Supreme Court. — A party desiring to appeal by *certiorari* from a judgment or final order or resolution of the Court of Appeals, the Sandiganbayan, the Regional Trial Court or other courts whenever authorized by law, may file with the Supreme Court a verified petition for review on *certiorari*. The petition shall raise **only questions of law** which must be distinctly set forth. 1a, 2a (Emphasis supplied)

Supreme Court E-Library

probative value of the evidence presented, the truth or falsehood of facts being admitted. A question of fact exists when the doubt or difference arises as to the truth or falsehood of facts or when the query invites calibration of the whole evidence considering mainly the credibility of the witnesses, the existence and relevancy of specific surrounding circumstances, as well as their relation to each other and to the whole, and the probability of the situation.[38]

Respondent alleges that the Petition raises questions of fact that the Court cannot resolve without re-evaluating established or undisputed facts on which the trial court based its ruling. However, an examination of the present petition shows that petitioner is challenging the RTC's grant of the petition for declaratory relief on the premise that a petition for declaratory relief is inapplicable to contest tax assessments; that the petition for declaratory relief failed to comply with the basic requisites of Rule 63 of the Rules of Court; and the constitutionality of Sections 108 and 184 of the NIRC *vis-à-vis* the equal protection clause. Moreover, petitioner assailed the propriety of the RTC's grant of injunctive relief *vis-a-vis* Section 218 of the NIRC and the rule that a judicial decision must bring a final determination of rights, obligations, and responsibilities of parties. These are clearly questions of law which merely call for an examination and interpretation of the prevailing law and jurisprudence, and are cognizable by the Court in a petition for review on *certiorari*.

The RTC acted without jurisdiction in taking cognizance of the Petition for Declaratory Relief and issuing an injunction against the collection of taxes.

To begin with, Commonwealth Act No. 55 (CA 55) provides that petitions for declaratory relief do not apply to cases where a taxpayer questions his liability for the payment of any tax under any law administered by the BIR. Section 1 of CA 55 provides:

---

[38] *Tagulao v. People*, G.R. No. 249735, February 3, 2020; citing *People v. Dela Cruz*, 776 Phil. 653 (2016).

Supreme Court E-Library

Section 1. Section one of Act Numbered Thirty-seven hundred and thirty-six is hereby amended so as to read as follows:

SECTION 1. *Construction*. — Any person interested under a deed, contract or other written instrument, or whose rights are affected by a statute, may bring an action in a Court of First Instance to determine any question of construction or validity arising under such deed, contract, instrument or statute and for a declaration of his rights or duties thereunder: Provided, however, **That the provisions of this Act shall not apply to cases where a taxpayer questions his liability for the payment of any tax, duty, or charge collectible under any law administered by the Bureau of Customs or the Bureau of Internal Revenue**. (Emphasis supplied)

The Court has previously clarified that CA 55 has not been repealed by another statute and remains to be good law.[39] Thus, the courts have no jurisdiction over petitions for declaratory relief against the imposition of tax liability or validity of tax assessments.

More importantly, a principle deeply embedded in our jurisprudence is that taxes being the lifeblood of the government should be collected promptly, without unnecessary hindrance or delay. In line with this principle, Section 218 of the NIRC[40] expressly provides that no court shall have the authority to grant an injunction to restrain the collection of any national internal revenue tax, fee or charge imposed by the code. An exception to this rule, provided under Section 11 of RA 1125,[41] obtains only when in the opinion

---

[39] *CJH Development Corp. v. BIR*, 595 Phil. 1051, 1057-1058 (2008).

[40] NATIONAL INTERNAL REVENUE CODE, sec. 218. It reads:
SECTION 218. *Injunction not Available to Restrain Collection of Tax*. — No court shall have the authority to grant an injunction to restrain the collection of any national internal revenue tax, fee or charge imposed by this Code.

[41] Section 11. *Who may appeal; effect of appeal*. — Any person, association, or corporation adversely affected by a decision or ruling of the Collector of Internal Revenue, the Collector of Customs or any provincial or city Board of Assessment Appeals may file an appeal in the Court of Tax Appeals within thirty days after the receipt of such decision or ruling.
No appeal taken to the Court of Tax Appeals from the decision of the Collector of Internal Revenue or the Collector of Customs shall suspend the payment, levy, distraint, and/or sale of any property of the taxpayer for the satisfaction of his

Supreme Court E-Library

of the Court of Tax Appeals (CTA) the collection thereof may jeopardize the interest of the government and/or the taxpayer.[42]

In the instant case, it is undisputed that respondent only proceeded with its petition after receiving tax assessments from the BIR and after various requests for reconsideration, where it notably already raised the alleged unconstitutionality of Sections 108 and 184 of the NIRC as a ground to contest the tax assessment against respondent. However, instead of appealing the assessments in the proper forum, respondent filed with the RTC the Petition for Declaratory Relief with a prayer for issuance of a TRO and WPI to enjoin the implementation of the aforementioned provisions while the said petition is pending. In reality, respondent's Petition for Declaratory Relief is utilized as a vehicle to assail and prevent the enforcement of the tax assessments by alleging the supposed unconstitutionality of Sections 108 and 184 of the NIRC. On this basis, the RTC should have dismissed respondent's petition for lack of jurisdiction.

Thus, we reiterate our statement in the assailed Decision that the RTC acted without jurisdiction in not only taking cognizance of respondent's petition, but in issuing an injunction enjoining the BIR from proceeding with the implementation or enforcement of Sections 108 and 184 of the NIRC against respondent.

---

tax liability as provided by existing law; Provided, however, That **when in the opinion of the Court the collection by the Bureau of Internal Revenue or the Commissioner of Customs may jeopardize the interest of the Government and/or the taxpayer the Court at any stage of the proceeding may suspend the said collection and require the taxpayer either to deposit the amount claimed or to file a surety bond for not more than double the amount with the Court** (Emphasis supplied).

[42] *Angeles City v. Angeles Electric Corporation*, 636 Phil. 43, 51-52 (2010).

Supreme Court E-Library

Even assuming arguendo that the RTC had jurisdiction over the petition, the RTC should have dismissed respondent's Petition for Declaratory Relief for failure to comply with the requisites for the said action.

A petition for declaratory relief is an action instituted by a person interested in a deed, will, contract or other written instrument, executive order or resolution, to determine any question of construction or validity arising from the instrument, executive order or regulation, or statute and for a declaration of his rights and duties thereunder.[43] The said action must comply with the following requisites: (1) the subject matter of the controversy must be a deed, will, contract or other written instrument, statute, executive order or regulation, or ordinance; (2) the terms of said documents and the validity thereof are doubtful and require judicial construction; (3) there must have been no breach of the documents in question; (4) there must be an actual justiciable controversy or the "ripening seeds" of one between persons whose interests are adverse; (5) the issue must be ripe for judicial determination; and (6) adequate relief is not available through other means or other forms of action or proceeding.[44]

After a review of the records of the instant case, We find no reason to disturb our finding that the RTC should have dismissed respondent's Petition for Declaratory Relief for failure to comply with the abovementioned third, fourth, fifth and sixth requisites.

In connection with the third requisite, the Court in *City of Lapu-Lapu v. Philippine Economic Zone Authority*[45] ruled that the trial court should have dismissed Philippine Economic Zone

---

[43] *Commission on Audit v. Pampilo, Jr.*, G.R. Nos. 188760, 189060 & 189333, June 30, 2020.

[44] *Republic v. Roque*, 718 Phil. 294, 304 (2013).

[45] 748 Phil. 473 (2014).

Supreme Court E-Library

Authority's Petition for Declaratory Relief for lack of jurisdiction in view of the City of Lapu-Lapu and Province of Bataan's demand for payment of real property taxes prior to the filing of the petition for declaratory relief. The Court explained:

> We rule that the [Philippine Economic Zone Authority] erred in availing itself of a petition for declaratory relief against the City. **The City had already issued demand letters and real property tax assessment against the [Philippine Economic Zone Authority], in violation of the [Philippine Economic Zone Authority's] alleged tax-exempt status under its charter. The Special Economic Zone Act of 1995, the subject matter of [Philippine Economic Zone Authority's] petition for declaratory relief, had already been breached. The trial court, therefore, had no jurisdiction over the petition for declaratory relief."**[46] (Emphasis supplied)

It is undisputed that respondent had already received assessments from the BIR for deficiency documentary stamp taxes for the years 2011, 2012, and 2013 and deficiency VAT for the year 2012, which were imposed pursuant to Sections 184 and 108 of the NIRC respectively, when it filed its Petition for Declaratory Relief assailing the constitutionality of the said provisions. In view thereof, the RTC should have already dismissed respondent's Petition for Declaratory Relief for lack of jurisdiction.

Anent the fourth and fifth requisites, a justiciable controversy refers to an existing case or controversy that is appropriate or ripe for judicial determination, not one that is conjectural or merely anticipatory. A question is ripe for adjudication when the act being challenged has had a direct adverse effect on the individual challenging it.[47]

In the instant case, respondent's Petition for Declaratory Relief does not present a justiciable controversy ripe for judicial determination. Respondent's petition failed to demonstrate that respondent's legal rights are subject of an imminent or threatened violation that should be prevented by the declaratory relief sought;

---

[46] Id. at 515.

[47] *Barrio Balagbag of Pasay City Neighborhood Association, Inc. v. Office of the President*, G.R. No. 230204 (2019).

Supreme Court E-Library

the apprehension that its business may be rendered technically insolvent in view of the continued enforcement of the taxes under Sections 108 and 184 of the NIRC appear to be merely conjectural and anticipatory.

Moreover, respondent's adequate remedy upon receipt of the FDDA for the DST deficiency for taxable year 2011 was to file an appeal in due course with the CTA instead of resorting to a petition for declaratory relief with the RTC.[48] Similarly, the respondent's adequate remedy in the event of the issuance of a FAN in connection with its assessments for deficiency VAT for taxable year 2012 was to protest the same with the BIR and if denied, appeal such denial to the CTA or request for reconsideration with the CIR.[49] Thus, the sixth requisite is likewise absent. In view of the absence of the aforementioned requisites, the RTC should have dismissed respondent's Petition for Declaratory Relief.

All told, this Court finds no reason to overturn the assailed Decision. The assailed Decision is in accord with law and existing jurisprudence and with due regard to extant facts and evidence.

WHEREFORE, the instant Motion for Reconsideration is hereby **DENIED** with **FINALITY** for lack of merit.

No further pleadings shall be entertained in this case.

Let entry of final judgment be issued immediately.

SO ORDERED.

Leonen (Chairperson), Inting, Delos Santos, and *J. Lopez, JJ.,* concur.

APPEARANCES OF COUNSEL

Office of the Solicitor General for petitioner.
Romulo Mabanta Buenaventura Sayoc & Delos Angeles for respondent.

---

[48] Section 3.1.4, Revenue Regulations (RR) No. 12-1999, as amended by RR 18-2013.

[49] Id.