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pending before him, it seems clear that the same could not be resolved except in the aforesaid appeal.

It appearing from the foregoing that (1) the Chief Trademark Examiner of the Patent Office had jurisdiction to issue the order dissolving the interference; (2) that his resolution in that connection had been seasonably appealed to the respondent Director of Patents; and (3) that, as a consequence, said respondent Director of Patents' resolution suspending proceedings in the interference cases, ordering the proper docketing of the appeal interposed by herein private respondent and giving the latter a period of thirty days from the date the appeal is docketed within which to file its brief, is in accordance with law and the procedure followed by his office in similar case, the writs of certiorari, prohibition and mandamus prayed for in the petition under consideration are hereby denied, with costs, but without prejudice to the appeal mentioned heretofore taking its due course.

THE WRIT OF PRELIMINARY INJUNCTION heretofore issued in this case is hereby set aside.

Concepcion, C.J., Makalintal, Sanchez, Ruiz Castro, Fernando, Capistrano, Teehankee and *Barredo, JJ.*, concur.

Reyes, J.B.L., J., did not take part.

[G.R. No. L-23041. July 31, 1969]

E. RODRIGUEZ, INC., petitioner, *vs.* THE COLLECTOR OF INTERNAL REVENUE and THE COURT OF TAX APPEALS, respondents.

SYLLABUS

1. TAXATION; NATIONAL INTERNAL REVENUE CODE; EXEMPTION FROM TAXATION; RULES IN CONSTRUING PROVISIONS FOR TAX EXEMPTION.— It has been the constant and uniform holding of this Court that exemption from taxation is not favored and is never presumed; in fact, if it is granted, the grant

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must be strictly construed against the taxpayer. Affirmatively put, the law requires courts to frown on alleged exemptions from taxation, hence, an exempting provision in a legislative enactment should be construed in *strictissimi juris* against the taxpayer and liberally in favor of the taxing authority.

2. ID.; ID.; ID.; ID.; ID.; APPLICATION OF RULES IN INSTANT CASE.— The rules regarding the construction of tax exemption should be applied to the case at bar where the law invoked (Section 9 of Republic Act No. 333) does not make any reference whatsoever to exemption of income derived from the sale of expropriated property thereunder, unlike Republic Act No. 1400 where, relative to the price paid by the Government for any agricultural land acquired for resale to tenants, there is an express declaration that the same "shall not be considered as income of the landowner concerned for purposes of the income tax."

3. ID.; ID.; ID.; ID.; INCOME DERIVED FROM SALE OF PROPERTY UNDER RA 333 NOT TAX EXEMPT.— Republic Act No. 333 relied upon which grants exemption on bonds issued thereunder for purposes of inducement to private land owners within the new capital site of the Philippines to part away with their properties in favor of the Government other than for cash cannot be taken to mean that said property owners need not pay income tax on their income derived from the sale of such properties. The pertinent Congressional Record of the proceedings held during the consideration of Republic Act No. 333 does not show that Congress had intended to exempt said property owners from the payment of income tax on the proceeds of the sale of their properties when the same is paid in government bonds issued under the said law.

4. ID.; ID.; ID.; ID.; ASSURANCE OF PUBLIC OFFICERS FOR TAX EXEMPTION NOT BINDING TO STATE.— Even assuming that the Capitol City Planning Commission and other officials of the government did make some assurance or promise to petitioner that the portion of the price of its expropriated property paid in tax-exempt government bonds would not be made subject to income tax payment, such assurance or promise, made without statutory sanction, cannot bind the Government. It is a well-known rule that erroneous application and enforcement of the law by public officers do not block subsequent correct application of the statute, and that the Government is never estopped by mistake or error on the part of its agents.

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5. ID.; ID.; ID.; INCOME FROM EXPROPRIATION TAXABLE.— In the present circumstances, the Collector of Internal Revenue is right in assessing against petitioner the deficiency income tax in question, consonant with the proposition that income from expropriation is income from sales or exchange and therefore taxable.

APPEARANCES OF COUNSEL

Tolentino & Garcia and *D. R. Cruz* for petitioner.

Solicitor General Arturo A. Alafriz, Solicitor Alejandro B. Afurong and *Special Attorney Salvador D. David* for respondents.

DECISION

BARREDO, *J.*:

This is a petition for review of the decision of the Court of Tax Appeals in its CTA Case No. 849, affirming the decision of the respondent Collector (now Commissioner) of Internal Revenue holding petitioner E. Rodriguez, Inc. liable for deficiency income tax in the sum of ₱63,880.00 for the year 1950.

The records of the case show that on July 17, 1948, Congress enacted Republic Act No. 333,[1] pursuant to which the Republic of the Philippines sued the petitioner, among four other defendants, in Civil Case No. Q-54 of the Court of First Instance of Quezon City, for the expropriation of about 1,360,000 square meters of land owned by it and situated within the area delimited for the new capital city site. After due trial, the said court rendered a decision in the case, dated February 21, 1950, with the following dispositive portion:

"WHEREFORE, judgment is hereby rendered, declaring plaintiff entitled to retain and appropriate the property involved in this proceeding, as site for the development and establishment of the new capital city of the Philippines, in accordance with our condemnation order dated September

[1] An Act to establish the capital of the Philippines and the permanent seat of the National Government, to create a Capital City Planning Commission, to appropriate funds for the acquisition of private estates within the boundary limits of said city, and to authorize the issuance of bonds of the National Government for the acquisition of private estates, for the subdivision thereof, and for the construction of streets, bridges, waterworks, sewerage and other municipal improvements in the said capital city.

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19, 1949; and ordering plaintiff to pay defendants, as just compensation for the lands to be taken from them, the following amounts, to wit: to defendant Eulogio Rodriguez, Sr., the sum of THIRTY-NINE THOUSAND SEVEN HUNDRED SEVENTY-SIX PESOS (₱39,776.00); to defendant E. Rodriguez, Inc., the sum of ONE MILLION FOUR HUNDRED EIGHTEEN THOUSAND SIX HUNDRED FOUR (₱1,418,604.00) PESOS; to defendant Luzon Investment & Development Co., the sum of FIVE THOUSAND TWO HUNDRED EIGHTY (₱5,280.00) PESOS; and to defendants Enrique Manaloto and Canuto G. Manuel, the sum of SIXTEEN THOUSAND SEVEN HUNDRED TWENTY (₱16,720.00) PESOS, with interest at the rate of 6% per annum on the said amounts from September 19, 1949, the date the plaintiff entered upon the possession of the lands in question until payment, plus the costs."

Following the issuance of the above-mentioned decision, however, a series of negotiations were had between petitioner and the Government, represented by the Capital City Planning Commission, after which, the said parties entered into a compromise agreement under date of May 11, 1950, providing, *inter alia,* as follows:

"(1) That the parties will accept the decision laid down in said case by the Court of First Instance of Rizal (Quezon City Branch) with the following stipulations:

"a. That the defendants mentioned above hereby waive all interest due on the adjudged value of the expropriation properties;

"b. That the defendants above-named hereby donate 207,006 square meters out of Lots Nos. 41-C-3 and 39, object of expropriation in Civil Case No. Q-54;

"c. That defendants Eulogio Rodriguez, Inc. obligates itself to donate as it hereby donates the land object of expropriation in Civil Case No. Q-90, in favor of the Republic of the Philippines, containing an area of 15,200 square meters, which is a portion of Lot No. 41-C-3 as indicated in the plan attached to the complaint therein; said defendant Eulogio Rodriguez, Inc. binding itself to execute the necessary deed of donation thereof;

"d. That defendants named above agree to the payment of the price awarded by the Court subject to the foregoing stipulations in the total sum of ONE MILLION TWO HUNDRED FIFTY THOUSAND SIX HUNDRED THIRTY-ONE PESOS and EIGHTY CENTAVOS (₱1,250,631.80) payable in the following manner:

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"1) SIX HUNDRED TWENTY-FIVE THOUSAND THREE HUNDRED FIFTEEN PESOS AND NINETY CENTAVOS (₱625,315.90) in government bonds in favor of Eulogio Rodriguez, Sr. and E. Rodriguez, Inc., payable within five (5) years at not less than three percent (3%) per annum;

"2. THREE HUNDRED THOUSAND PESOS (₱300,000.00) to be given to the Philippine National Bank in payment of the mortgage indebtedness of defendants E. Rodriguez, Sr. and E. Rodriguez, Inc.; and

"3) the balance of THREE HUNDRED TWENTY-FIVE THOUSAND TWO HUNDRED FIFTEEN PESOS AND NINETY CENTAVOS (₱325,215.90) in cash to be paid to all defendants above named, through Eulogio Rodriguez, Sr., within a reasonable time.

"(2) That after approval of this compromise by the Court, the parties herein agree not to interpose an appeal from the judgment of the Court of First Instance of Rizal (Quezon City Branch) which shall be considered final and executory under the Rules of Court;

"(3) And, finally, that the said parties will submit this compromise agreement to the Court for its approval and/or its consideration in the decision rendered in this case."

This compromise agreement was duly approved by the Court of First Instance of Rizal (Quezon City Branch) on May 12, 1950, and pursuant to the terms thereof, the Government paid to petitioner the sum of ₱1,238,204.00, of which, *₱625,315.90 were in Government Bonds.*

On March 1, 1951, petitioner filed its income tax return for the year 1950, showing on the face thereof a loss of ₱17,982.06. In said return, petitioner did not include the sum of ₱625,315.90 received by it from the government in the form of bonds in payment of its expropriated properties, in the belief that the said amount was free or exempt from taxation. When this return was later examined by an agent of the Bureau of Internal Revenue, the Collector of said bureau assessed against petitioner a deficiency income tax of ₱63,880.00, computed as follows:

"Net income per return (loss) ..... ₱17,982.06

Amount received for property ..... ₱1,238,204.00

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Less: Cost of Land	827,279.82	
Gain	₱410,924.18	
Undeclared gain		₱410,924.18
Accounts receivable charged off as bad debts but not forming part of gross income		1,860.00
Miscellaneous expenses not connected with the business		4,450.00
Net Income		₱399,252.12
Tax due on ₱399,252.12		₱63,880.00"

A series of communications between petitioner and respondent Collector of Internal Revenue followed the foregoing assessment, with the former protesting against and requesting the cancellation of the deficiency income tax assessed against it, and the latter maintaining its accuracy and demanding payment thereof. As petitioner did not pay, on July 6, 1959, the Collector of Internal Revenue sought the collection of said deficiency income tax of ₱63,880.00, plus 5% surcharge and 1% monthly interest thereon from March 11, 1956, by means of an action in the Court of First Instance of Manila.

On June 8, 1960, petitioner offered, by way of compromise, to pay the amount of ₱30, 676.25 in full settlement of its disputed deficiency income tax liability for 1950. This offer was rejected by the Collector of Internal Revenue; whereupon, under date of June 24, 1960, petitioner filed a petition for review of the assessment in question before the respondent Court of Tax Appeals which, after trial on the merits, rendered its decision affirming the assessment in question. Hence, this appeal by petitioner thru the instant petition for review of the said decision of respondent Court of Tax Appeals, with the following assigned errors:

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"I. THE RESPONDENT COURT ERRED IN HOLDING THAT THE EXEMPTION CONTEMPLATED BY THE BONDS IN QUESTION APPLIES ONLY TO DOCUMENTARY STAMP TAX AND TAX ON INTEREST DERIVED FROM SUCH BONDS, AND THAT SUCH EXEMPTION CONSTITUTES SUFFICIENT INDUCEMENT FOR PETITIONER TO ACCEPT SAID BONDS.

"II. THE RESPONDENT COURT ERRED IN AFFIRMING THE ORDER OF THE RESPONDENT COLLECTOR HOLDING PETITIONER LIABLE FOR INCOME TAX ON THE EXCHANGE OF ITS PROPERTIES FOR GOVERNMENT TAX-EXEMPT BONDS UNDER REPUBLIC ACT NO. 333."

As petitioner correctly puts it, the only question to decide here is whether or not in determining the profit realized from the payment of the purchase price of its (petitioner's) expropriated property, for income tax purposes, portion of the purchase price paid in the form of tax-exempt bonds issued under Republic Act No. 333 should be included.

The pertinent provisions of law involved are found in Section 9 of the Act abovementioned which reads as follows:

"SEC. 9. The President of the Philippines is authorized to issue, in the name and behalf of the Republic of the Philippines, bonds in an amount of twenty million pesos, the proceeds of which shall be used as a revolving fund for the acquisition of private estates, the subdivision of the area, and the construction of streets, bridges, waterworks, sewerage and other municipal improvements in the Capital City of the Philippines.

"The bonds so authorized to be issued shall bear such date and in such form as the President of the Philippines may determine and shall bear such rate of interest and run for such length of time as may be determined by the President. Both principal and interest shall be payable in Philippine currency or its equivalent in the United States currency, in the discretion of the Secretary of Finance, at the Treasury of the Philippines, and the interest shall be payable at such periods as the President of the Philippines may determine.

"*Said bonds shall be exempt from taxation by the Government of the Republic of the Philippines or by any political or municipal subdivisions thereof, which fact shall be stated upon their face, in accordance with this Act, under which the said bonds are issued.*" [Italics supplied]

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Petitioner maintains that the portion (paid in tax-exempt Government Bonds) of the profit it derived from the expropriation of its property should not be made subject to income tax, for the reasons that: (1) the Republic of the Philippines gave no concession to petitioner in the compromise agreement involved in this case except that, as testified to by the lawyer who represented petitioner in the negotiations which led to the compromise agreement in question, it was understood between the parties, and it was precisely the only inducement, according to the witness, that made petitioner accept payment of ₱625,315.90 in Government Bonds instead of cash, that said bonds would be "tax-free"; now, it is argued that by tax-free is meant that by acceptance of the bonds rather than cash, petitioner would not also have to pay income tax on the exchange gain from said bonds;[2] (2) that the third paragraph of Section 9 of the Act granting tax exemption on bonds issued thereunder was inserted in the law as a further inducement to private land owners within the new capital site to part away with their properties in favor of the Government other than for cash, which legislative history of the law allegedly sustains the position of petitioner; and (3) Congress must have really intended such income tax exemption under Republic Act No. 333, since, similar provisions in Republic Act No. 1400,[3] likewise involving the expropriation of private estates, expressly declare that the price paid by the Government for the lands acquired for resale to tenants under the authority of said Act (Republic Act No. 1400) shall not be considered as income of the landowner for purposes of the income tax. This reasoning was brushed aside by the respondent Court of Tax Appeals in its decision under review, on the following rationale:

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[2] Per testimony of Atty. Jose A. Garcia, TSN, pp. 31-33.

[3] Section 22 of Republic Act No. 1400, relied upon, reads:

"SEC. 22. Exemption from tax.— All land certificates issued by authority of this Act shall be exempt from all forms of taxes. The purchase price paid by the Government for any agricultural land acquired for resale to tenants under the authority of this Act, whether through negotiation or expropriation, shall not be considered as income of the landowner concerned for purposes of the income tax."

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"Petitioner contends that since the Government bonds which it received as part payment of the price of its lot were exempt from taxation, the deficiency assessment made by respondent against it is not in order. On the other hand, respondent claims that the exemption of Government bonds refers only to documentary stamps on the bonds and does not include income tax on the income derived by petitioner which was paid to him in the form of bonds.

"The pertinent portion of Section 9 of Republic Act No. 333, which is the sole basis of petitioner's claim for exemption, provides:

> 'Said bonds shall be exempt from taxation by the Government of the Republic of the Philippines or by any political or municipal subdivision thereof, which fact shall be stated upon their face, in accordance with this Act, under which the said bonds are issued.'

"There can be no question that petitioner is taxable on its income derived from the sale of its property to the Government. The fact that a portion of the purchase price of the property was paid by the Government in the form of tax exempt bonds does not operate to exempt said income from income tax. The income from the sale of the land in question and the bonds are two different and distinct taxable items so that the exemption of one does not operate to exempt the other, unless the law expressly so provides.

"It is alleged that to deny exemption from income tax on the amount represented by the said bonds would be to nullify the purpose of the law in granting exemption. The question has been asked: If income or gain derived from the acceptance of such bonds in exchange for private estates would be taxed, what inducement did such provision of Republic Act No. 333 give to land owners to accept payment in bonds for their properties in the proposed site of the Capital City? To our mind, there is sufficient inducement, and that is, the exemption not only of the bonds from documentary stamp tax but also of the interest derived from such bonds. Section 29(b) (4) of the National Internal Revenue Code exempts interest derived from such bonds from income tax to the extent provided in the law authorizing the issue thereof.

"Counsel for petitioner also allege that the prevailing rule obtaining in the United States before removal of exemptions of government obligations was to exempt such bonds from income tax both as to principal and interest. To quote from the memorandum of counsel:

> '. . . Actually, most of the Federal Treasury Bonds issued by the U.S. Government from 1921 to 1941, or before the Public Debt Acts

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of 1941 and 1942 that removed tax exemptions on obligations issued by the United States and its agencies and instrumentalities, were—

' "exempt, both as to principal and interest, from all taxation now or hereafter imposed by the United States, any State, or any of the possessions of the United States, or by any local taxing authority, except (a) estate or inheritance taxes, and (b) graduated additional income taxes, known as surtaxes, and excess profits and war-profits taxes, now or hereafter imposed by the United States, upon the income or profits of individuals, partnerships, associations, or corporations." (I Mertens, Law of Federal Income Taxation, pp. 297-313).' [See page 12, Memorandum of counsel for petitioner, March 20, 1963.]

"Apparently the import of the ruling quoted above from the book of Mertens has not been clearly understood. We think that the exemption referred to therein of both principal and interest has reference to the exemption from income tax of the income derived from the sale or exchange of the bonds and the interest paid by the U.S. Government on such bonds. The opinion quoted from Mertens is inapplicable to the instant case because it does not refer to any income derived by petitioner from the sale or exchange of bonds received by petitioner from the Government under Republic Act No. 333. The tax here involved is on the income derived from the sale of petitioner's property to the Government, not the income derived from the sale or exchange of the bonds.

"Mention has been made of Republic Act No. 1400, Section 22 of which provides that 'the purchase price paid by the Government for any agricultural land acquired for resale to tenants under the authority of this Act, whether by negotiation or expropriation, shall not be considered as income of the landowner concerned for purposes of the income tax.' It is argued that since Republic Acts Nos. 333 and 1400 are in *pari materia,* both should be construed together, and since Republic Act No. 1400 exempts income derived from the sale of property to the Government under said Act, the same exemption should also apply to income derived from the sale of property to the Government under Republic Act No. 333. It is precisely because Republic Act No. 1400 contains an express exemption from income tax of the income derived by property owners from the sale of their lands under said Act and the absence of a similar provision in Republic Act No. 333 which indicates plainly that Congress intended not to grant such exemption to landowners under Republic Act No. 333. If Congress had intended to grant exemption from income tax with respect to income derived by a person from the sale of his property under Republic Act No. 333, it should have expressly made an express provision to that effect as it did in Republic Act

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No. 1400; that it did not, is a clear indication that its purpose was to withhold such exemption."

We find no cogent reasons to disturb the above holding of the Court of Tax Appeals. It has been the constant and uniform holding of this Court that exemption from taxation is not favored and is never presumed; in fact, if it is granted, the grant must be strictly construed against the taxpayer.[4] Affirmatively put, the law requires courts to frown on alleged exemptions from taxations, hence, an exempting provision in a legislative enactment should be construed in *strictissimi juris*[5] against the taxpayer and liberally in favor of the taxing authority.[6] This Court has been most consistent in this holding. In Asiatic Petroleum Co. *vs.* Llanes,[7] it was explained beyond any possibility of miscomprehension that:

". . . Exemptions from taxation are highly disfavored, so much so that they may almost be said to be odious to the law. He who claims an exemption must be able to point to some positive provision of law creating the right. It cannot be allowed to exist upon a vague implication . . .. The books are full of very strong expressions on this point. As was said by the Supreme Court of Tennessee in Memphis *vs.* U.& P. Bank (91 Tenn., 546, 550), 'The right of taxation is inherent in the State. It is a prerogative essential to the perpetuity of the government; and he who claims an exemption from the common burden, must justify his claim by the clearest grant of organic or statute law.' Other utterances equally or more emphatic come readily to hand from the highest authority. In Ohio Life Ins. and Trust Co. *vs.* Debolt (16 Howard, 416), it was said by Chief Justice Taney, that the right of taxation will not be held to have been surrendered, 'unless the intention to surrender is manifested by words too plain to be mistaken.' In the case of the Delaware Railroad Tax (18 Wallace, 206, 226), the Supreme Court of the United States said that the surrender, when claimed, must be shown by clear, unambiguous language, which will admit of no reasonable construction consistent with

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[4] See Commissioner of Internal Revenue *vs.* Guerrero, L-20812, Sept. 22, 1967, 21 SCRA 180, 183, and the numerous cases therein cited.

[5] *Id.*, citing Philippine Guarranty Co. *vs.* Commissioner, L-22074, Sept. 6, 1965.

[6] Esso Standard Eastern, Inc. *vs.* Actg. Commissioner of Customs, L-21841, Oct. 28, 1966, 18 SCRA 488, citing cases.

[7] 49 Phil. 466, 471.

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the reservation of the power. If a doubt arise as to the intent of the legislature, that doubt must be resolved in favor of the State. In Erie Railroad Company *vs.* Commonwealth of Pennsylvania (21 Wallace, 492, 499), Mr. Justice Hunt, speaking of exemptions, observed that a State cannot strip itself of the most essential power of taxation by doubtful words. 'It cannot, by ambiguous language, be deprived of this highest attribute of sovereignty.' In Tennessee *vs.* Whitworth (117 U.S. 129, 136), it was said: 'In all cases of this kind the question is as to the intent of the legislature, the presumption always being against any surrender of the taxing power.' In Farrington *vs.* Tennessee and County of Shelby (95 U.S. 679, 686), Mr. Justice Swayne said: ". . . . When exemption is claimed, it must be shown indubitably to exist. At the outset, every presumption is against it. A well-founded doubt is fatal to the claim. It is only when the terms of the concession are too explicit to admit fairly of any other construction that the proposition can be supported.' "

The above rules should be applied to the case at bar where the law invoked (Section 9 of Republic Act No. 333) does not make any reference whatsoever to exemption of income derived from the sale of expropriated property thereunder, unlike under Republic Act No. 1400 where, relative to the price paid by the Government for any agricultural land acquired for resale to tenants, there is an express declaration that the same "shall not be considered as income of the landowner concerned for purposes of the income tax." Nor are We convinced by the argument that the particular provision of Republic Act No. 333 relied upon which grants exemption on bonds issued thereunder for purposes of inducement to private land owners within the new capital site to part away with their properties in favor of the Government other than for cash should be taken to mean that said property owners need not pay income tax on their income derived from the sale of such properties. The pertinent Congressional Record of the proceedings held during the consideration of the bill which later became Republic Act No. 333,[8] does not show that Congress had intended to exempt said property owners from the payment

[8] Consideration of House Bill No. 2003, Congressional Record, House of Representatives, Vol. III, Nos. 1-9, June 14-24, 1948, p. 323, et seq.

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of income tax on the proceeds of the sale of their properties when the same is paid in government bonds issued under the said law. Likewise, even were We to assume, for the sake of argument, that the Capitol City Planning Commission and other officials of the government did make some assurance or promise to herein petitioner that the portion of the price of its expropriated property paid in tax-exempt government bonds would not be made subject to income tax payment, such assurance or promise, made without statutory sanction, cannot bind the Government. The same amounts to a surrender of the State's power to require payment of income tax, which in this case is not explicitly granted by Republic Act No. 333. It is a well-known rule that erroneous application and enforcement of the law by public officers do not block subsequent correct application of the statute,[9] and that the Government is never estopped by mistake or error on the part of its agents.[10] In the present circumstances, the Collector of Internal Revenue is right in assessing against petitioner the deficiency income tax in question, consonant with the proposition that income from expropriation proceedings is income from sales or exchange and therefore taxable.[11]

FOR THE FOREGOING CONSIDERATIONS, the decision of the Court of Tax Appeals under review is affirmed, with costs against herein petitioner.

Concepcion, C.J., Dizon, Sanchez, Ruiz Castro, Fernando and *Teehankee, JJ.*, concur.

Reyes, J.B.L., Makalintal, Zaldivar and *Capistrano, JJ.*, took no part.

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[9] Philippine Long Distance Telephone Co. *vs.* Collector of Internal Revenue, 90 Phil. 674, 680; Republic *vs.* Philippine Long Distance Telephone Company, L-18841, January 27, 1969, 26 SCRA 620, 631.

[10] Pineda *vs.* Court of First Instance of Tayabas, 52 Phil. 803, 807; Benguet Consolidated Mining Company *vs.* Pineda, 98 Phil. 711, 724; Central Azucarera de Tarlac *vs.* Collector, et al., 104 Phil. 653, 656; Philippine American Drug Co. *vs.* Collector of Internal Revenue, et al., 106 Phil. 161, 168; Koppel (Phil.) Inc. *vs.* Collector of Internal Revenue, L-10550, September 19, 1961; Luzon Stevedoring Corporation *vs.* Court of Tax Appeals, L-21005, October 22, 1966, 18 SCRA 436, 440; Tan Guan *vs.* Court of Tax Appeals, L-23676, April 27, 1967, 19 SCRA 903, 907; Republic *vs.* Philippine Long Distance Telephone Co., *supra*.

[11] Gutierrez, et al. *vs.* Court of Tax Appeals, 101 Phil. 713, 722.