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are hereby ordered to *ADMIT* the petitions for review in CA-G.R. SP No. 25152 and CA-G.R. SP No. 27134 and to continue with the proceedings, if warranted, until terminated.

SO ORDERED.

Narvasa, C.J., Gutierrez, Jr., Cruz, Feliciano, Padilla, Bidin, Griño-Aquino, Regalado, Davide, Jr., Romero, Nocon, Melo, and *Campos, Jr., JJ.,* concur.

EN BANC

[G.R. No. 101976. January 29, 1993]

THE COMMISSIONER OF INTERNAL REVENUE, *petitioner, vs.* **THE COMMISSION ON AUDIT,** *respondent.*

[G.R. No. 102258. January 29, 1993]

TIRSO B. SAVELLANO, *petitioner, vs.* **THE COMMISSION ON AUDIT,** *respondent.*

SYLLABUS

1. TAXATION; NATIONAL INTERNAL REVENUE CODE; INFORMER'S REWARD UNDER SECTION 316 OF THE CODE; FINAL DETERMINATION OF ENTITLEMENT TO REWARD, CONCLUSIVE ONLY UPON THE EXECUTIVE AGENCY CONCERNED. — The final determination by the Department of Finance, through the recommendation of the BIR, of petitioner Savellano's entitlement to the informer's reward is, under Section 90, conclusive only upon the executive agencies concerned.

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2. ID.; ID.; ID.; ID.; COMMISSION ON AUDIT, NOT BOUND BY SAID DETERMINATION. — Respondent COA is not an executive agency. It is one of the three (3) independent constitutional commissions. The final determination made by the Finance Department cannot bind respondent COA or foreclose its review thereof in the exercise of its constitutional function and duty to ensure that public funds are expended and used in conformity with law. To hold otherwise would be to ignore the clear mandate and the equally clear implications of Section 3, Article IX (D) of the 1987 Constitution.

3. POLITICAL LAW; CONSTITUTIONAL LAW; COMMISSION ON AUDIT; DISALLOWANCE IN AUDIT, NOT FINAL. — The disallowance in audit by respondent COA is not in itself final. The same may be set aside and nullified by this Court, if done with grave abuse of discretion. Respondent COA considers the payment of informer's reward in this case as placing a premium upon violations committed by government agencies and therefore, improper. At first blush, it would appear that by paying the informer's reward, the government punishes itself for violations committed by its own agencies. This, however, is more apparent that real. The delinquencies of these agencies are not condoned, much less rewarded. It is the person whose information led to the discovery of their transgressions who is being rewarded. Although this results in a reduction in the amount of revenues actually received, the net effect is that the government still gains from the remaining amount paid, which otherwise would have been lost to it.

4. TAXATION; NATIONAL INTERNAL REVENUE CODE; INFORMER'S REWARD; GRANT THEREOF NOT DEPENDENT ON CLASSIFICATION OF DELINQUENT TAXPAYER. — That the informer's reward was sought and given in relation to tax delinquencies of government agencies provides no reason for disallowance. The law on the matter makes no distinction whatsoever between delinquent taxpayers in his regard, whether private person or corporations, or public or quasi-public agencies, it being sufficient for its operation that the person or entity concerned is subject to, and violated, revenue laws, and the informer's report thereof resulted in the recovery of revenues. It is elementary that where the law does not distinguish, none must be made. *Ubi lex non distinguit nec nos distinguere debemos.*

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APPEARANCES OF COUNSEL

Law Firm of Armando A. Armovit for petitioner in G.R. No. 102258.

D E C I S I O N

NARVASA, *C.J.*:

The issues joined in these consolidated petitions focus, as it were, on the general audit jurisdiction of the Commission of Audit *vis-a-vis* the Bureau of Internal Revenue's power to determine entitlement to the tax informer's reward under Section 316[1] of the National Internal Revenue Code.

On June 25, 1986, petitioner Tirso B. Savellano furnished the Bureau of Internal Revenue (BIR) with a confidential affidavit of information[2] denouncing the National Coal Authority (NCA) and the Philippine National Oil Company (PNOC) for non-payment of taxes totalling ₱234 Million on interest earnings of their respective money placements with the Philippine National Bank (PNB) since October 15, 1984 to said date. Investigation by the BIR confirmed the reported tax liabilities, and upon demands thereafter made, NCA and PNOC paid to the BIR the following amounts of taxes corresponding to the period October 15, 1984 to August 31, 1986:

NCA Schedule of payments.

Confirmation Receipt No.	Date of Payment	Amount Paid.
B6402543	9-10-86	₱ 1,067,682.86
B7373646	10-15-86	14,918,482.19
Total		₱15,986,165.05

[1] Now Section 281.

[2] Docketed as Confidential Information No. 1853, Annex "C", Reply to Respondent's Comment, p. 144, *Rollo* in G.R. No. 101976.

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PNOC Schedule of Payments.

Confirmation Receipt No.	Date of Payment	Amount Paid
B6402542	9-10-86	₱ 2,952,349.23
B12581298	6-30-87	31,003,129.89
B12581904	7-31-87	30,000,000.00
B12601251	10-01-87	30,000,000.00
Total		₱ 93,955,479.12

By a letter dated November 28, 1986, then BIR Commissioner Bienvenido Tan, Jr. recommended to the Minister of Finance payment to petitioner Savellano of an informer's reward equivalent to 15% of the amount of ₱15,986,165.00 paid by NCA, or ₱2,397,924.75.[3] Said recommendation having been favorably passed upon by the Committee on Rewards of the Department of Finance, the same was approved by then Deputy Minister of Finance Alfredo Pio de Roda, Jr.;[4] and Savellano was in due time paid the aforesaid amount.

The records do not show when the informer's reward in the PNOC case was recommended for payment; only that it was approved by then Finance Undersecretary Marcelo Fernando.[5] Petitioner Savellano was paid his informer's reward in the PNOC case in the total amount of ₱14,093,321.89 in four (4) installments, the last of them on December 1, 1987.[6]

On February 8, 1989, respondent Commission on Audit (COA) rendered COA Decision No. 740[7] disallowing in audit the payment of informer's reward to petitioner Savellano in the NCA case on the ground that payment of an informer's reward under Section

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[3] Annex "A", Petition in G.R. No. 102258, pp. 21-22, *Rollo*.

[4] Annex "B", *Ibid*., p. 23, *Rollo*.

[5] Petition in G.R. No. 101976, p. 6, *Rollo*.

[6] p. 3, Annex "A", Submission and Motion for Prompt Resolution of Petitioner Savellano in G.R. No. 102258.

[7] Annex "A", Petitioner in G.R. No. 101976, pp. 24-27, *Rollo*.

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281 of the National Internal Revenue is conditioned upon the actual recovery or collection of revenues, and no such revenue or income was actually realized or recovered on any benefit accrued to the government, since two (2) government agencies were involved. The income realized by the BIR out of the withholding taxes paid by the NCA was a reduction of the income of the latter, resulting in a zero effect in revenues realized or recovered. Respondent COA also impugned the propriety of the claim for informer's reward based on inter-governmental violations. In its view, allowance of claims of the kind would not only place a premium upon violations committed by government agencies but also induce collusion among government offices in order to obtain the informer's reward. It reasoned that if the State cannot be held responsible for the tortious acts of its employees unless the latter acted as special agents, with more reason it should not be held liable to pay informer's reward upon violations committed by government agencies.[8]

Petitioner Commissioner of Internal Revenue sought reconsideration of COA Decision No. 740. He was followed by petitioner Tirso Savellano and Mrs. Potenciana Evangelista, former Chief of the BIR Accounting Division after the COA Resident Auditor issued Revised Certificate of Settlement and Balances (CSB) No. 89-0001-104(c) dated July 20, 1989,[9] directing the withholding of salaries or any amount due them and to the following BIR officials/employees/persons who were being held personally liable for the disallowed amount of ₱11,397,924.75:[10]

Atty. Jaime Maza, Chief, Legal Division
Ms. Potenciana Evangelista, Chief, Rev. Acctg. Division
Mr. Jesus Parado, Chief, Personnel & Adm. Office
Atty. Vicente Y. Puno, Asst. Commissioner, Personnel & Adm.

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[8] Annex "A", Petition in G.R. No. 101976, p. 26, *Rollo*.

[9] Annex "A", Reply to Respondent's Comment, p. 139, *Rollo* in G.R. No. 101976.

[10] This amount includes part of the informer's reward paid in the PNOC case.

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Mr. Marcelo N. Fernando, Undersecretary of Finance
Mr. Eufracio Santos, Deputy Commissioner, BIR
Mr. Jose A. Resurreccion, Asst. Commissioner, Administrative
Ms. Marilyn Soledad, Researcher, Legal Division
Atty. Alicia P. Clemeno, Chief, Law Division
Mr. Melchor S. Ramos, Chief, Financial & Mgt.
Mrs. Elena C. Pineda, Special Disbursing Officer.

These pleas were denied due course in COA Decision No. 1930,[11] denying due course to the requests for reconsideration. Hence these separate petitions, which were ordered consolidated in the Court's Resolution dated March 10, 1992 in G.R. No. 102258.[12]

In seeking nullification of COA Decisions Nos. 740 and 1930 in G.R. No. 101976, petitioner Commissioner of Internal Revenue argues that: the approval by the Department of Finance of the claim for informer's reward of petitioner Savellano is conclusive upon the executive agencies concerned, respondent COA included, as it constitutes the final determination of the proper administrative authority under Section 90 of the Government Auditing Code of the Philippines; there were actual cash collections of ₱109,941,644.17 from NCA and PNOC for non-payment of withholding taxes on interest earnings, which amount had accrued to the General Fund; Section 316 (now 281) of the National Internal Revenue Code (NIRC) entitling an informer to a reward for information leading to the collection of internal revenue taxes is clear and needs no interpretation; and assuming that it does, it should be interpreted in favor of the informer; NCA and PNOC have separate personalities from the Bureau of Internal Revenue as well as the Government and the State; and superior and subordinate officers of the government are not civilly liable for acts done in the performance of their official duties.

For his part, petitioner Tirso Savellano questions the COA disallowance on the ground that the express statutory grant to

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[11] Annex "B", petition in G.R. No. 101976, pp. 28-31, *Rollo*.

[12] p. 110, *Rollo* in G.R. No. 102258.

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BIR of the power to allow or disallow claims for payment of tax informer's reward is an implied statutory denial of the same power to the COA, which would otherwise transform said respondent into "a super tax authority" and "undermine and dilute the substance and efficacy of the very entity created and empowered by law to collect taxes and augment the government's revenue collecting potentials."[13] He further maintains that there was "actual" collection of tax by the BIR from the NCA and PNOC because while said agencies are government-owned corporations, they derive their income from the exercise of corporate/proprietary/private functions, which does not, in and by itself, constitute public funds. It is only when such income is taxed that whatever part thereof corresponds to the amount of the tax becomes part of the national treasury, thereby redounding to the benefit of the government.

Required to comment on the petition in G.R. No. 101976, and later, on the petition in G. R. No. 102258, the Solicitor General begged off on the ground that "its position is different from the stand taken by respondent Commission on Audit (COA) in the present case" and sought to be excused from further representing respondent COA, in whose behalf he prayed for a reasonable period of time to file its own comment.[14] In its Resolution of January 16, 1992 in G. R. No. 101976, this Court noted the Solicitor General's manifestation, excused him from further representing respondent COA in the case and required the latter to file its own comment within ten (10) days from notice.[15] In G.R. No. 102258, however, the Court denied a similar plea. It required the Solicitor General to explain within ten (10) days from notice why his position was different from COA's, and gave said respondent a period of ten (10) days to file its comment on the petition, if it so desired.[16]

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[13] p. 8, Petition, p. 14, *Rollo* in G.R No. 102258.

[14] p. 46, *Rollo*, G.R. No. 101976; p. 39, *Rollo*, G.R. No. 102258.

[15] p. 49, *Rollo*, G.R. No. 101976.

[16] Resolution of February 4, 1992.

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Briefly put, the Solicitor General's explanation is that he found COA's disallowance of the informer's reward erroneous because: government corporations are subject to tax under the NIRC; having personalities distinct from the government, if they evade payment of their taxes, the amounts corresponding to such liabilities could be utilized for purposes exclusive to them; contrarily, if they do pay their taxes, the amounts so paid accrue to the General Fund; Section 281 of the NIRC does not make any distinction among taxpayers from whom taxes are eventually recovered; it simply prescribes that for an informer to be entitled to the reward, the information he furnishes should result in the recovery of revenues; statutes offering reward must be liberally construed in favor of informers; the possibility of collusion is not sufficient basis for disallowance, since collusion cannot be assumed, while the official acts of the BIR and the Department of Finance are entitled to a presumption of regularity; even if the taxpayers referred to by an informer are private entities, the possibility of collusion still remains; such a consideration, moreover, goes into the wisdom of the law a matter that concerns the legislature and not the courts, much less, COA; and there being no evidence of any irregularity, the determination made by the BIR should be binding upon COA pursuant to the Government Auditing Code.

Respondent COA questions the personality of petitioner Commissioner of Internal Revenue to bring the instant suit, arguing that the Commissioner is not an aggrieved party adversely affected by the assailed decisions. In justification of its actions, COA invokes its constitutionally vested audit jurisdiction over all government agencies, to which, it contends, the statutorily granted power of the Secretary of Finance under Section 90, P.D. 1445 must yield. It insists that petitioner Savellano is not entitled to the informer's reward because there was no actual collection of revenues under the benefit-to-the-government rule; and Savellano's alleged information did not lead to the discovery of a fraud. It characterizes the payment of informer's reward as irregular, being predicated upon violations committed by government agencies, and would have the persons named in CSB No. 89-0001-104 (c) held liable for participation in illegal

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or irregular disbursements of public funds by reason of their respective duties.

The Commissioner of Internal Revenue, in assailing respondent COA's authority to disallow the payment of informer's reward, relies heavily on Section 90 of P.D. No. 1445, otherwise known as the "Government Auditing Code of the Philippines." A reading of said provision, which in quoted hereunder, shows that such reliance is misplaced:

> Section 90. Payment of rewards.—When a reward becomes payable by authority of law for information given relative to any offense or for any act done in connection with the apprehension of the offender, the reward shall, in the absence of special provisions be paid in such manner as shall be prescribed by executive order. The final determination by the proper administrative authority pursuant to law or any such order, as to whether or not the persons concerned are entitled to any reward and the amount thereof, shall be conclusive upon the executive agendas concerned as regards the liability of the government.

The final determination by the Department of Finance, through the recommendation of the BIR, of petitioner Savellano's entitlement to the informer's reward is, under Section 90, conclusive only upon the executive agencies concerned. Respondent COA is not an executive agency. It is one of the three (3) independent constitutional commissions.[17] Specifically, it is the constitutional agency vested with the "power, authority and duty to examine, audit and settle all accounts pertaining to the revenue and receipts of, and expenditures or uses of funds and property owned or held in trust by x x x the government, or any of its subdivisions, agencies or instrumentalities x x x."[18] To ensure the effective discharge of its functions, it has been empowered, subject to the limitations imposed by Article IX (D) of the 1987 Constitution, to define the scope of its audit and examination, establish the techniques and methods required

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[17] Sec. 1, Art. IX (A), 1987 Constitution.

[18] Sec. 2 (1), Article IX (D), 1987 Constitution.

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therefor, and promulgate accounting and auditing rules and regulations, including those for the prevention and disallowance of irregular, unnecessary, excessive, extravagant or unconscionable expenditures or uses of government funds and properties.[19]

The final determination made by the Finance Department cannot bind respondent COA or foreclose its review thereof in the exercise of its constitutional function and duty to ensure that public funds are expended and used in conformity with law. To hold otherwise would be to ignore the clear mandate and the equally clear implications of Section 3, Article IX (D) of the 1987 Constitution providing that:

"No law shall be passed exempting any entity of the government or its subsidiary in any guise whatever, or any investment of public funds, from the jurisdiction of the Commission on Audit."

The exercise by respondent COA of its general audit power is among the constitutional mechanisms that give life to the check-and-balance system inherent in a republican form of government such as ours. Taken in this light, such exercise cannot be regarded as an unlawful or unwarranted invasion of, or interference with, the authority and power of the executive agency concerned to determine whether or not a person is entitled to a reward provided by law and the amount thereof. As held in *Dingcong vs. Guingona, Jr., et al.*:

"Constitutional Law; Administrative Law; Power and authority of COA.— Not only is the Commission on Audit (COA) vested with the power and authority, but it is also charged with the duty, to examine, audit and settle all accounts pertaining to x x x the expenditures or uses of funds x x x owned by or pertaining to, the Government or any of its subdivisions, agencies, or instrumentalities (Article IX [D], Section 2 [1], 1987 Constitution). That authority extends to the accounts of all persons respecting funds or properties received or held by them in an accountable capacity (Section 26, P.D. No. 1445). In the exercise of its jurisdiction, it determines

[19] Sec. 2 (2), *Ibid.*

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whether or not the fiscal responsibility that rests directly with the head of the government agency has been properly and effectively discharged (Section 25[1], *ibid*.), and whether or not there has been loss or wastage of government resources. It is also empowered to review and evaluate contracts (Section 18 [4], *ibid*.). And, after an audit has been made, its auditors issue a certificate of settlement to each officer whose account has been audited and settled in whole or in part, stating the balances found due thereon and certified, and the charges or differences arising from the settlement by reason of disallowances, charges or suspensions (Section 82, *ibid*.)."

This is not to say, however, that the disallowance in audit by respondent COA is in itself final. The same may be set aside and nullified by this Court, if done with grave abuse of discretion.

The informer's reward granted to petitioner Savellano is based on Section 316 (now 281) of the National Internal Revenue Code.[20] It reads:

Sec. 281. Informer's reward to persons instrumental in the discovery of violation of the National Internal Revenue Code and in the discovery and seizure of smuggled goods.

(1) For violation of the National Internal Revenue Code. Any person except an internal revenue official or employee, or other public official, or his relative within the sixth grade of consanguinity, who voluntarily gives definite and sworn information, not yet in the possession of the Bureau of Internal Revenue, leading to the discovery of frauds upon internal revenue laws or violation of any of the provisions thereof, thereby resulting in the recovery of revenues, surcharges and fees and/or the conviction of the guilty party and/or imposition of any fine or penalty, shall be rewarded in the sum equivalent to fifteen *per centum* of the revenues, surcharges or fees recovered and/or fine or penalty imposed and collected. The same amount of reward shall also be given to an informer where the offender has offered to compromise the violation of law committed by him and his offer has been accepted by the Commissioner and in such a case, the fifteen *per centum* reward fixed herein shall be based on the amount agreed upon in the compromise and collected from the offender; Provided, That should no revenues, surcharges or fees be

[20] 162 SCRA 782.

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actually recovered or collected, such person shall not be entitled to a reward: Provided, further, That the information mentioned herein shall not refer to a case already pending or previously investigated or examined by the Commissioner or any of his deputies, agents or examiners, or the Secretary of Finance or any of his deputies or agents: Provided, finally, That the reward provided herein shall be paid under the regulations issued by the Commissioner of Internal Revenue with the approval of the Secretary of Finance.

One of the reasons for respondent COA's disallowance of the informer's reward under consideration is that there was actually no revenue realized or recovered as two (2) government agencies were involved. This view is simplistic and merits no concurrence. It overlooks the fact that the two (2) government agencies involved, NCA and PNOC, possess legal personalities separate and distinct from the Philippine government. Although both are government-owned and controlled corporations, NCA and PNOC perform proprietary functions. Their revenues do not automatically devolve to the general coffers of the government. Unless transferred to the Philippine government through the vehicle of taxation, no part of their revenues is available for appropriation by the Legislature for expenditure in government projects; such revenues remain said agencies' in their entirety, to be applied to and expended for their own exclusive purpose. Clearly, then, when said revenues are subjected to tax, the portion thereof corresponding to such tax becomes, in its own, revenue for the government accruing to the General Fund.

That the informer's reward was sought and given in relation to tax delinquencies of government agencies provides no reason for disallowance. The law on the matter makes no distinction whatsoever between delinquent taxpayers in this regard, whether private persons or corporations, or public or quasi-public agencies, it being sufficient for its operation that the person or entity concerned is subject to, and violated, revenue laws, and the informer's report thereof resulted in the recovery of revenues. It is elementary that where the law does not distinguish, none

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must be made. *Ubi lex non distinguit nec nos distinguere debemos*.[21]

The Solicitor General correctly dismisses the mere possibility of collusion to obtain the informer's reward as sufficient ground for disallowance. Collusion cannot be presumed. It must be proved by clear and convincing evidence. In the case at bar, there is no showing of collusion between petitioner Savellano as informer and any official or employee of the BIR or the Department of Finance. Neither is there any evidence to overcome the presumption of regularity[22] enjoyed by the official acts of the BIR and the Department of Finance in approving the claim of petitioner Savellano for informer's reward.

Respondent COA considers the payment of informer's reward in this case as placing a premium upon violations committed by government agencies and therefore, improper. At first blush, it would appear that by paying the informer's reward, the government punishes itself for violations committed by its own agencies. This, however, is more apparent than real. The delinquencies of these agencies are not condoned, much less rewarded. It is the person whose information led to the discovery of their transgressions who is being rewarded. Although this results in a reduction in the amount of revenues actually received, the net effect is that the government still gains from the remaining amount paid, which otherwise would have been lost to it.

WHEREFORE, the consolidated petitions are hereby *GRANTED*. The assailed decisions of respondent Commission on Audit are set aside. No pronouncement as to costs.

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[21] *Philippine British Assurance Co., Inc. vs. IAC*, 150 SCRA 520; citing *Colgate-Palmolive Phil., Inc. vs. Gimenez*, G.R. No. L-14787, Jan. 28, 1961, 1 SCRA 267; *Libudan vs. Gil*, G.R. No. L-21163, May 17, 1972, 45 SCRA 17; *Dominador vs. Derahunan*, 49 Phil. 452 (1926); *Guevarra vs. Inocentes*, G.R. No. L-25577, March 15, 1966, 16 SCRA 379; *Director of Lands vs. Gonzales*, G.R. No. L-32522, January 28, 1963; *Alfato vs. Commission on Elections*, G.R. No. 52749, March 31, 1981, 103 SCRA 741; Statutory Construction by Ruben E. Agpalo, 1986, pp. 143-144.

[22] Sec. 3 (m), Rule 131, Revised Rules of Court.

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SO ORDERED.

Gutierrez, Jr., Cruz, Feliciano, Bidin, Griño-Aquino, Regalado, Davide, Jr., Romero, Nocon, Bellosillo, Melo, and *Campos, Jr., JJ.,* concur.

Padilla, J., see dissenting opinion.

PADILLA, *J., dissenting opinion*:

I regret that I cannot join in the majority opinion. It is unfortunate that the literal and, if I may add, quite hasty application of a rule of statutory construction should result in loss of revenue to the government in an amount of SIXTEEN MILLION PESOS (₱16,000,000.00), more or less, by way of a tax informer's reward.

The majority, while conceding that "Although this (the informer's reward) results in a reduction in the amounts of revenues actually received," in the same sentence, justifies the informer's reward in favor of petitioner Tirso B. Savellano by stating that "the net effect is that the government still gains from the remaining amount paid, which otherwise would have been lost to it."

I really fail to perceive how the government stands to gain from this operation. To me, it is mere a case of transferring government funds from government-owned corporations (the NCA and the PNOC) to the BIR, in the form of taxes, which in turn diminishes the funds of said government corporations, whether intended for operations or dividends. Actually, therefore, it is a transfer of government funds from one pocket to another, and in the process, an informer is paid a reward of ₱16 million pesos. This situation would, of course, not exist were the NCA and PNOC *private* individuals or entities. Their payment of taxes to the government would constitute a definite gain to the government since, in the exercise, no reduction of government funds (but of private funds) results. An informer's reward in such a case would be in order. I am really apprehensive that the exercise or process which this Court, in effect now sanctions, would be, as the saying goes, "to fry one (the government) in its own lard."

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Moreover, the resulting loss (or reduction) of revenue to the government referred to (in the tax informer's reward) appears to be the result of the application of Section 316 (now 281) of the National Internal Revenue Code in isolation, without considering the Constitution, to which all laws are subordinate and to which every law must harmonize.

The 1987 Constitution provides that:

"The Commission on Audit shall have the power, authority, and duty to examine, audit, and settle all accounts pertaining to the revenue and receipts of, and expenditures or uses of funds and property, owned or held in trust by, or pertaining to, the Government, or any of its subdivisions, agencies or instrumentalities, including government-owned or controlled corporations with original charters, and on a post-audit basis: x x x c) other government-owned or controlled corporations and their subsidiaries."[1]

It cannot be denied that under the aforequoted Constitutional provision, the NCA and PNOC are both subject to audit by the COA. The intent of the Constitution is clear. The Commission on Audit is the office which possesses the mechanism by which the accounts of all government bodies and agencies are evaluated and examined. The mechanism necessarily includes the determination of whether or not the correct taxes have been paid by them to the Bureau of Internal Revenue. The two (2) government agencies involved, the COA and BIR, can readily and regularly determine the correct taxes due from such government entities. The situation in the case of purely private taxpayers is quite different, since there is no regular audit done on them by the government, through the COA. It is from this perspective that we should begin to determine whether or not the informer's reward should be awarded in the cases at bar.

Presidential Decree No. 1773 which increased the informer's reward, in its preamble, states:

"WHEREAS, it is necessary to amend further certain provisions of the National Internal Revenue Code in order to strengthen the enforcement powers of the Bureau of Internal Revenue;"

[1] Section 2(1), Article IX-D, 1987 Constitution.

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It would appear logical to conclude that the "enforcement powers" sought to be strengthened by increasing the informer's reward *refers to cases involving purely private taxpayers* since no less than the Constitution has provided for its own "informer" in the case of government entity tax payers. This "informer" is, of course, the Commission on Audit not to mention the officials of the very government entity-taxpayers concerned who are all presumed to be regularly performing their duties.

The need for an informer not being present in the case at bar, the provision concerning the informer's reward should not apply. It would, in my view, be absurd to presume that the law-making body intended the statutory provision to apply to a situation where its application would not serve any purpose. This is specially true when the disbursement of public funds is involved and the Court, in the case of *Alliance of Government Workers, et al. v. The Honorable Minister of Labor, et al.*[2] had occasion to emphasize that:

"It is an old rule of statutory construction that restrictive statutes and acts which impose burdens on the public treasury or which diminish rights and interests, no matter how broad their terms do not embrace the Sovereign, unless the sovereign is specifically mentioned."

While petitioner, Tirso B. Savellano should be commended for his concern for the public interest, the informer's reward does not apply under the circumstances and should not be awarded for the reasons discussed above.

I therefore vote to DENY the consolidated petitions and further vote for the non-payment of the informer's reward in both cases, such award being contrary to law and jurisprudence.

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[2] G.R. No. 60403, 3 August 1983, 124 SCRA 1.