THIRD DIVISION

ROMEO PUCYUTAN, FOR AND IN BEHALF OF THE CITY OF MUNTINLUPA, METRO MANILA AS ITS CITY TREASURER,
Petitioner,

-*versus*-

MANILA ELECTRIC COMPANY, INC.
Respondent.

G.R. No. 197136

Present:

VELASCO, JR., *J., Chairperson*,
PERALTA,
PEREZ,
REYES, and
JARDELEZA, *JJ.*

Promulgated:

April 18, 2016

x----------x

DECISION

PERALTA, *J.*:

For this Court's consideration is the Petition for Review on *Certiorari*,[1] under Rule 45 of the Rules of Court, dated July 4, 2011 of petitioner Romeo Pucyutan, for and in behalf of the City of Muntinlupa as its City Treasurer, seeking the reversal of the Decision[2] dated October 22, 2010 and Resolution[3] dated May 27, 2011, both of the Court of Appeals (*CA*) in CA G.R. SP No. 108266 that affirmed the Orders dated September 4, 2006[4] and October 14, 2008[5] of the Regional Trial Court (*RTC*) of Makati

---

1 *Rollo,* pp. 7-230.

2 Penned by Associate Justice Vicente S. E. Veloso, with Associate Justices Francisco P. Acosta and Samuel H. Gaerlan, concuring; *id.* at 37-57.

3 *Rollo,* p. 59.

4 Penned by Judge Joselito C. Villarosa; *id.* at 92-94.

5 *Id.* at. 96-100.

City ruling that respondent Manila Electric Company, Inc. (*MERALCO*) was not furnished with a notice of assessment.

The facts follow.

MERALCO, a duly-organized Philippine corporation engaged in the distribution of electricity, erected four (4) power-generating plants in Sucat, Muntinlupa, namely, the Gardner I, Gardner II, Snyder I and Snyder II from 1969 to 1972. Thereafter, on December 29, 1978, MERALCO sold all the said power-generating plants, including their landsites, to the National Power Corporation (*NAPOCOR*).

Sometime in 1985, the Assessor of Muntinlupa, while reviewing records pertaining to assessment and collection of real property taxes, allegedly discovered that for the period beginning January 1, 1976 to December 29, 1978, MERALCO misdeclared and/or failed to declare for taxation purposes a number of real properties consisting of several equipment and machineries found in the earlier mentioned power-generating plants. The Municipal Assessor, upon its review of the sale between MERALCO and NAPOCOR, found that the true value of the machineries and equipment in said power plants were misdeclared, and accordingly determined and assessed their value for taxation purposes for the years 1977 to 1978, as later reflected in Tax Declaration Nos. T-009005486 to T-05506.

A certification of non-payment of real property taxes was issued, and notices of delinquency were accordingly posted when MERALCO failed to pay taxes as assessed by said tax declarations and, on October 4, 1990, the Municipal Treasurer issued Warrants of Garnishment attaching MERALCO's bank deposits in three (3) different banks equivalent to its unpaid real property taxes.

Thereafter, MERALCO filed before the RTC a Petition for Prohibition with prayer for Writ of Preliminary Mandatory Injunction and/or Temporary Restraining Order (*TRO*) which eventually reached this Court, and on June 29, 2004,[6] with the then Acting Municipal Treasurer Nelia A. Barlis as respondent, this Court rendered a Resolution that partly reads as follows:

> This Court finds and so rules that the RTC committed grave abuse of discretion amounting to excess or lack of jurisdiction in declaring that [MERALCO] is not the taxpayer liable for the taxes due claimed by [BARLIS]. Indeed, in its May 18, 2001 Decision, this Court ruled:
>
> > The fact that NAPOCOR is the present owner of the Sucat power plant machineries and equipment does not constitute a legal barrier to the collection of delinquent

---

6 *Manila Electric Company v. Nelia A. Barlis*, 477 Phil. 12 (2004).

> taxes from the previous owner, MERALCO, who has defaulted in its payment. x x x

However, the Court holds that the RTC did not commit any grave abuse of discretion when it denied [BARLIS'] motion to dismiss on the claim that for [MERALCO's] failure to appeal from the 1986 notice of assessment of the Municipal Assessor, the assessment had become final and enforceable under Section 64 of P.D. No. 454.

Section 22 of P.D. No. 464 states that, upon discovery of real property, the provincial, city or municipal assessor shall have an appraisal and assessment of such real property in accordance with Section 5 of the law, irrespective of any previous assessment or taxpayer's valuation thereon. The provincial, city or municipal assessor is tasked to determine the assessed value of the property meaning the value placed on taxable property for *ad valorem* tax purposes. The assessed value multiplied by the tax rate will produce the amount of tax due. It is synonymous to taxable value.

An assessment fixes and determines the tax liability of a taxpayer. It is a notice to the effect that the amount therein stated is due as tax and a demand for payment thereof. The assessor is mandated under Section 27 of the law to give written notice within thirty days of such assessment, to the person in whose name the property is declared. The notice should indicate the kind of property being assessed, its actual use and market value, the assessment level and the assessed value. The notice may be delivered either personally to such person or to the occupant in possession, if any, or by mail, to the last known address of the person to be served, or through the assistance of the barrio captain. The issuance of a notice of assessment by the local assessor shall be his last action on a particular assessment. For purposes of giving effect to such assessment, it is deemed made when the notice is released, mailed or sent to a taxpayer. As soon as the notice is duly served, an obligation arises on the part of the taxpayer to pay the amount assessed and demanded.

If the taxpayer is not satisfied with the action of the local assessor in the assessment of his property, he has the right, under Section 30 of P.D. No. 464, to appeal to the Local Board of Assessment Appeals by filing a verified petition within sixty (60) days from service of said notice of assessment. If the taxpayer fails to appeal in due course, the right of the local government to collect the taxes due becomes absolute upon the expiration of such period, with respect to the taxpayer's property. The action to collect the taxes due is akin to an action to enforce a judgment. It bears stressing, however, that Section 30 of P.D. No. 464 pertains to the assessment and valuation of the property for purposes of real estate taxation. Such provision does not apply where what is questioned is the imposition of the tax assessed and who should shoulder the burden of the tax.

Comformably to Section 57 of P.D. No. 464, it is the local treasurer who is tasked with collecting taxes due from the taxpayer. x x x

x x x x

In this case, [MERALCO] denied receiving copies of Tax Declarations Nos. B-009-5501 to B-009-5494 prepared by the respondent Municipal Assessor in 1985. In the face of [MERALCO's] denial, the respondent was burdened to prove the service of the tax declarations on the petitioner. While the respondent alleged in his Comment on the Petition at bar that the Municipal Assessor furnished the petitioner with copies of the said tax declarations on November 29, 1985, the only proof proferred by the respondent to prove such claim was the receipt signed by a certain Basilio Afuang dated November 29, 1985. The records failed to show the connection of Basilio Afuang to the petitioner, or that he was authorized by the petitioner to receive the owner's copy of the said tax declaration from the Office of the Municipal Assessor. We note that the respondent even failed to append a copy of the said receipt in its motion to dismiss in the trial court. Conformably, this Court, in its May 18, 2001 Decision, declared as follows:

> ...The records, however, are bereft of any evidence showing actual receipt by petitioner of the real property tax declaration sent by the Municipal Assessor. However, the respondent in a Petition for *Certiorari* (G.R. No. 100763) filed with this Court which later referred the same to the Court of Appeals for resolution, narrated that "the municipal assessor assessed and declared the afore-listed properties for taxation purposes as of 28 November 1985." Significantly, in the same petition, respondent referred to former Municipal Treasurer Norberto A. San Mateo's notices to MERALCO, all dated 3 September 1986, as notices of assessment and not notices of collection as it claims in this present petition. Respondent cannot maintain diverse positions.

The question that now comes to [the] fore is, whether the respondent's Letters to the [MERALCO] dated September 3, 1986 and October 31, 1989, respectively, are mere collection letters as contended by the petitioner and as held by this Court in its February 1, 2002 Resolution; or, as claimed by the respondent and as ruled by this Court in its May 18, 2001 Decision, are notices of assessment envisaged in Section 27 of P.D. No. 464.

x x x x

The Court, in its February 1, 2002 Resolution, upheld the petitioner's contention and ruled that the aforequoted letter/notices are not notices of assessment evisaged in Section 27 of P.D. No. 464. Thus:

x x x x

Upon careful review of the records of this case and the applicable jurisprudence, we find that it is the contention of [MERALCO] and the ruling of this Court in its February 1, 2002 Resolution which is correct. Indeed, even the respondent admitted in his comment on the petition that:

> Indeed, respondent did not issue any notice of assessment because statutorily, he is not the proper officer obliged to do so. Under Chapter VII, Sections 90 and 90-A of the Real Proerty Tax Code, the functions related to the

> appraisal and assessment for tax purposes of real properties situated within a municipality pertains to the Municipal Deputy Assessor and for the municipalities within the Metropolitan Manila, the same is lodged, pursuant to P.D. No. 921, on the Municipal Assessor.
>
> Consequently then, Sections 30 and 64 of P.D. No. 464 had no application in the case before the trial. The petitioner's action for prohibition was not premature. Hence, the Court of Appeals erred in rendering judgment granting the petition for *certiorari* of [BARLIS].
>
> Moreover, the petitioner, in its petition for prohibition before the court *a quo*, denied liability for the taxes claimed by the respondent, asserting that if at all, it is the NAPOCOR, as the present owner of the machineries/equipment, that should be held liable for such taxes. The petitioner had further alleged that the assessment and collection of the said taxes had already prescribed. Conformably to the ruling of this Court in *Testate Estate of Lim vs. City of Manila*, Section 30 of P.D. No. 464 will not apply.
>
> **The Court further rules that there is a need to remand the case for further proceedings, in order for the trial court to sesolve the factual issue of whether or not the Municipal Assessor served copies of Tax Declarations Nos. B-009-05499 to B-009-05502 on [MERALCO], and, if in the affirmative, when [MERALCO] received the same; and to resolve the other issues raised by the parties in their pleadings. It bears stressing that the Court is not a trier of facts.**[7]

Respondent therein, on August 5, 2004, moved for the reconsideration of this Court's June 29, 2004 Resolution, and on March 29, 2005,[8] this Court, En Banc "Denied with Finality," respondent Barlis' motion for reconsideration. The resolution partly reads:

> The Court shall now address the substantive issue raised by respondent Municipal Treasurer in his motion for reconsideration: "The applicability of Section 64 is not dependent on the resolution of the issue of whether or not the petitioner was furnished with Notices of Assessment."
>
> Section 64 of RPTC reads:
>
> Sec. 64. *Restriction upon power of court to impeach tax.* - No court shall entertain any suit assailing the validity of tax assessed under this Code until the taxpayer shall have paid, under protest, the tax assessed against him nor shall any court declare any tax invalid by reason of irregularities or informalities in the proceedings of the officers charged with the assessment or collection of taxes, or of failure to perform their duties within the time specified for their performance unless such irregularities, informalities or failure shall have impaired the substantial

---

7 *Manila Electric Company v. Nelia A. Barlis, supra,* at 37-46. (Emphasis ours; citations omitted)

8 *Rollo,* pp. 60-71.

> rights of the taxpayer; nor shall any court declare any portion of the tax assessed under the provisions of this Code invalid except upon condition that the taxpayer shall pay the just amount of the tax, as determined by the court in the pending proceeding.

Respondent Municipal Treasurer adamantly asserts that whether or not petitioner MERALCO was furnished with a notice of assessment is not necessary for the applicability of the above provision. She hinges this assertion on the use of the term "tax assessed," not "tax assessment," in the above provision. This allegedly means that the moment a taxpayer is charged with the payment of a tax, he must pay the same under protest before he may file a suit in court.

Contrary to respondent Municipal Treasurer's stance, the determination of whether or not petitioner MERALCO was furnished with a notice of assessment is necessary in order that Section 64 of the RPTC would apply to its petition for prohibition before the court *a quo*. It must be recalled that the real property taxes sought to be collected by the City of Muntinlupa from petitioner MERALCO are based on the finding that it "misdeclared and/or failed to declare for taxation purposes a number of real properties, consisting of several equipment and machineries, found in the power plants." In other words, the said taxes are presumably based on "new or revised assessments" made by the respondent Municipal Treasurer. In this connection, Section 27 of the RPTC provides:

> Sec. 27. *Notification of New or Revised Assessments.* - When a real property is assessed for the first time or when an existing assessment is increased or decreased, the provincial or city assessor shall within thirty days give written notice of such new or revised assessment to the person in whose name the property is declared. The notice may be delivered personally to such person or to the occupant in possession, if any, or by mail to the last known address of the person to be served, or through the assistance of the barrio captain.'

The term "tax assessed" in Section 67 should, thus, be read in relation to Section 27 because the particular words, clauses and phrases in a law should not be studied as detached and isolated expressions, but the whole and every part thereof must be considered in fixing the meaning of any of its parts and in order to produce a harmonious whole.

Section 64 stated that "no court shall entertain any suit assailing the validity of tax assessed under this Code until the taxpayer shall have been paid, under protest, the tax assessed against him..." However, in relation to Section 27, the taxpayer's obligation to pay the tax assessed against him arises only upon notification of such assessment. It bears reiterating that the assessment fixes and determines the tax liability of the taxpayer. The basic postulate of fairness thus requires that it is only upon notice of such assessment that the obligation of the taxpayer to pay the same arises. As it was explained in the Resolution of June 29, 2004:

> An assessment fixes and determines the tax liability of a taxpayer. It is a notice to the effect that the amount

> therein stated is due as tax and a demand for payment thereof. The assessor is mandated under Section 27 of the law to give written notice within thirty days of such assessment, to the person in whose name the property is declared. The notice should indicate the kind of property being assessed, its actual use and market value, the assessment level and the assessed value. The notice may be delivered either personally to such person or to the occupant in possession, if any, or by mail, to the last known address of the person to be served, or through the assistance of the barrio captain. The issuance of a notice of assessment by the local assessor shall be his last action on a particular assessment. For purposes of giving effect to such assessment, it is deemed made when the notice is released, mailed or sent to the taxpayer. As soon as the notice is duly served, an obligation arises on the part of the taxpayer to pay the amount assessed and demanded.

It is in this light that the determination of whether or not petitioner MERALCO was furnished with a notice of assessment is necessary in order that Section 64 of the RPTC would apply to its petition for prohibition before the court *a quo*. If petitioner MERALCO had been furnished with such notice, then its obligation to pay the real property taxes assessed against it has already accrued. Consequently, conformably with Section 64 of the RPTC, the court *a quo* has no jurisdiction over the petition for prohibition for non-payment by petitioner MERALCO of the said taxes. As a corollary, if petitioner MERALCO had not been furnished with such notice, then its obligation to pay the taxes assessed against it has not, as yet, accrued. The court *a quo* then has jurisdiction over petitioner MERALCO's petition for prohibition despite non-payment of the said taxes because, in such a case, Section 64 of the RPTC is not applicable.

As held in the Resolution of June 29, 2004, whether or not petitioner MERALCO was furnished with a notice of assessment is a question of fact. The determination thereof as well as the other factual issues raised by the parties in their pleadings are best undertaken by the court *a quo*.

ACCORDINGLY, the Motion for Reconsideration dated August 5, 2004 of respondent Municipal Treasurer is DENIED with FINALITY.

The Regional Trial Court (RTC) of Makati City, Branch 66, is hereby DIRECTED to conduct the necessary proceedings with DISPATCH and to RESOLVE the said case within six (6) months from notice hereof.[9]

The case was, therefore, remanded to the RTC for the determination of the question of fact of "whether or not petitioner MERALCO was furnished with a notice of assessment x x x as well as other factual issues raised by the parties in their pleadings x x x."

---

9 *Id.* at 68-71. (Citations and italics omitted; emphasis ours)

The RTC, on May 2, 2006, rendered a Decision[10] finding that the transmittal letter of the then Office of the Municipal Assessor of Muntinlupa and the tax declarations received by the petitioner, through its employee Basilio Afuang in November 29, 1985, are effectively notices of assessment.

Dissatisfied, MERALCO filed a Motion for Reconsideration which the RTC granted in an Order[11] dated September 4, 2006, stating the following, among others:

> After carefully considering the arguments of the parties in their respective pleadings, the Court reconsiders and sets aside the Decision dated May 2, 2006.
>
> **The Court finds that the municipal assessor of Muntinlupa failed to furnish MERALCO with the mandatory notice of assessment. This is evident from the admission of respondent that aside from Exhibits "1" to "10" and two letters dated 3 September 1986 and 13 October 1989, no other documents were received by MERALCO in connection with this case (Order dated 24 January 2006). The Court likewise reverses its ruling that the "transmittal letter" of the then Office of the Municipal Assessor of Muntinlupa and the tax declarations received by the petitioner through its employee Basilio Afuang on November 1985 are effectively "notices of assessment."**
>
> **Article VII-K of Assessment Regulations No. 3-75 dated February 10, 1975 otherwise known as the "Rules and Regulations for the Implementation of the Real Property Tax Code (P.D. 464)," specifically paragraph (4) mandates that forms of notice of assessment RPA No. 7 shall be used which may be mimeographed by assessors for their use and that "the notice of assessment and owner's copy of the tax declaration shall be delivered or mailed to property owners within thirty days from entry of tax declarations covering the assessment of property in the Record of Assessments."**
>
> Undoubtedly, therefore, the two are separate and distinct; hence, the tax declarations and the receipt issued for said tax declarations cannot be considered effectively [sic] notices of assessment. Assessment is deemed made when the notice to this effect is released, mailed or sent to the taxpayer for the purpose of giving effect to said assessment. In other words, without the notice of assessment, there is no valid assessment.
>
> The Court finds that there is arbitrariness and denial of due process on the part of the respondent in his attempts to collect real estate taxes from MERALCO although its obligation to pay the same had not yet arisen due to the failure of the municipal assessor to furnish MERALCO with the mandated notice of assessment.
>
> In the Resolution of March 29, 2005, this Court was mandated to determine whether or not petitioner MERALCO was furnished with a notice of assessment.

---

10 Penned by Pairing Judge Rommel O. Baybay, *id.* at 300-304.

11 Penned by Presiding Judge Joselito C. Villarosa, *id.* at 305-307.

According to the Supreme Court -

> x x x the determination of whether or not petitioner MERALCO was furnished with a notice of assessment is necessary in order that Section 64 of the RPTC would apply to its petition for prohibition before the court *a quo*. If petitioner MERALCO had been furnished with such notice, then its obligation to pay the real property taxes assessed against it has already accrued. Consequently, conformably with Section 64 of the RPTC, the court *a quo* has no jurisdiction over the petition for prohibition for non-payment of petitioner MERALCO of the said taxes. As corollary, if petitioner MERALCO had not been furnished with such notice, then its obligation to pay the taxes assessed against it has not, as yet, accrued. The court *a quo* then has jurisdiction over petitioner MERALCO's petition for prohibition despite non-payment of the said taxes because, in such a case, Section 64 of the RPTC is not applicable.
>
> As held in the Resolution of June 29, 2004, whether or not petitioner MERALCO was furnished with a notice of assessment is a question of fact. The determination thereof as well as the other factual issues raised by the parties in their pleadings are best undertaken by the court *a quo*.

In view therefore of this Court's finding that petitioner MERALCO had not been furnished with the notice of assessment, then its obligation to pay property taxes has not accrued. This Court then has jurisdiction over MERALCO's petition for prohibition. Likewise, MERALCO's obligation to pay the taxes has not yet accrued and the three warrants of garnishment against petitioner's bank deposits with the Philippines Commercial International Bank (now Equitable PCI Bank)[,] Metropolitan Bank and Trust Company, and Bank of Philippine Islands prematurely issued by the respondent treasurer are null and void. Any withdrawal from the bank deposits of MERALCO by virtue of said writs of garnishment is hereby declared illegal.[12]

Petitioner filed a motion for reconsideration, but the same was denied in the Order[13] dated October 14, 2008.

An appeal was, therefore, filed with the CA and in dismissing the appeal, the CA ruled:

> x x x Simply put, what the trial court was finally called upon to resolve is the factual issue of "whether or not petitioner MERALCO was furnished with a notice of assessment," and no longer "the factual issue of whether or not the Municipal Assessor served copies of Tax Declaration Nos. B-009-05499 to B-009-05502 on [MERALCO]."

---

12 *Rollo*, pp. 306-307. (Emphasis ours; citations omitted)

13 *Id.* at 308-312.

x x x x

the Supreme Court could not have been clearer on its point that the tax declaration here cannot be validly considered as a notice of assessment under Section 27 of P.D. No. 464.

First, a tax declaration is issued pursuant to "Section 22 of P.D. No. 464" which mandates "that upon discovery of real property, the provincial, city or municipal assessor shall make an appraisal and assessment of such real property in accordance with Section 5 of the law, irrespective of any previous assessment on taxpayers valuation thereon," while a notice of assessment is issued pursuant to Section 27 of the law which mandates the "assessor xxx to give written notice within thirty days of such assessment, to the person in whose name the property is declared."

Second, a tax declaration is mandated by Section 22 of P.D. No. 464 to be issued "upon discovery" by the assessor of the "real property" to be appraised and assessed, while a "written notice of assessment" as required by Section 27 of the same law has to be issued by the assessor "within thirty days" from "such assessment."

Third, no tax accrues as a result of the assessor's issuance of a tax declaration, for at that time, the assessor is merely tasked by Section 22 of the law "to determine the assessed value of the property, meaning, the value placed on taxable property for *ad valorem* tax purposes." On the other hand, the written notice of assessment is what ripens into a demandable tax. It is for said reason that the notice must conform to the standards set by Section 27 of P.D. No. 464 x x x.

x x x x

In sum, the RTC could not have erred when it found "that the municipal assessor of Muntinlupa failed to furnish MERALCO with the mandatory notice of assessment. This is evident from the admission of respondent that aside from Exhibits "1" to "10" and two letters dated 3 September 1986 and 13 October 1989, no other documents were received by MERALCO in connection with this case.

WHEREFORE, the instant appeal is DISMISSED for lack of merit. The appealed Orders dated September 4, 2006 and October 14, 2008 are hereby AFFIRMED.

SO ORDERED.[14]

Petitioner's motion for reconsideration was denied. Hence, this petition, in which the petitioner raised the following grounds:

a. rejecting and/or failing to resolve the issues raised by Petitioner in the subject case and resolved instead the issue it formulated in it The Assailed Order is a coram non-judice judgment;

---

[14] *Id.* at 53-56. (Emphases omitted)

> b. validating a trial court's resolution of "legal issues" in a proceeding its jurisdiction over was explicitly directed by the Supreme Court to be rectified to the resolution of the one "factual issue" stated in its said directive;
>
> c. legitimizing a trial court's absurd claim that it, a mere trial court, was tasked by the Supreme Court to resolve and hand down for and in its behalf the resolution of a purely legal issue, and
>
> d. affirming orders and rulings of a trial court which disregarded and even mocked doctrinal teachings of the Supreme Court.[15]

Petitioner contends that the CA failed to resolve the issues raised by petitioner in his appeal, thus making the assailed decision *coram non-judice.* According to petitioner, it is a general principle of law that a court cannot set itself in motion, nor has it power to decide questions except as presented by the parties in their pleadings and anything that is decided beyond them is *coram non-judice* and void.

It is also the contention of petitioner that the final judgment of this Court in G.R. No. 114231 was the Resolution it adopted on June 29, 2004, the verdict of which has already been registered in its Book of Entry of Judgment on April 13, 2005. In the said resolution, the petitioner claims that this Court ruled that a notice of assessment is not an existing, fixed, and standard legal form, and what is controlling is that it is a written advice that in effect or effectively informs the taxpayer of the essential information the Real Property Tax Code under P.D. No. 464 obliges such taxpayer to be so informed.

Petitioner further claims that the RTC's first Decision (before it was overturned by its resolution granting MERALCO's motion for reconsideration) dated May 2, 2006 abided by the directive of this Court's Resolution dated June 29, 2005 because it ruled that petitioner provided MERALCO with the Tax Declarations specified in the said resolution of this Court before issuing the warrants of garnishment. As such, petitioner insists, only this Court's Resolution dated June 29, 2004 and the RTC's Decision dated May 2, 2006 can put a resolution on this case.

In its Comment,[16] MERALCO insists that the CA did not err in formulating the sole issue to be resolved in its appeal: whether or not the RTC erred in holding in its assailed Orders that "The City did not provide MERALCO with the notices of assessment as envisaged in P.D. No. 464." MERALCO further adds that when the case was called for pre-trial, the parties have agreed that pursuant to the Resolution dated March 29, 2005 of this Court, the actual issue to be resolved is whether or not MERALCO was furnished a notice of assessment by the City of Muntinlupa.

---

15 *Id.* at 9. (Underscoring omitted)

16 Dated October 27, 2011, *id.* at 241-283.

Furthermore, MERALCO argues that while the tax declarations furnished it contain the essential information such as the kind of property being assessed, its actual use and market value, which a notice of assessment should indicate, said tax declarations do not fix and determine the tax liability of the taxpayer and are not notices to the taxpayers that the liability fixed and determined therein are due as with a demand for the payment thereof.

MERALCO also points out that this Court's Resolution dated March 29, 2005 is a clarification as to the directive on how to proceed with the case on remand.

The petition lacks merit.

A close reading of the arguments presented before this Court eventually and ultimately raises the question of whether this Court's Resolution dated June 29, 2004 and Resolution dated March 29, 2005, contain the same ruling. As claimed by the petitioner, in this Court's Resolution dated June 29, 2004, it ordered the case to be remanded to the RTC for factual determination of whether MERALCO received the "tax declarations" or not. If the same is true, then the RTC's Decision dated May 2, 2006 should be upheld since it resolved the said issue. However, based on the Order dated September 4, 2006 of the RTC and the Decision of the CA, this Court's latter Resolution dated March 29, 2005 calls for the determination of the RTC of whether or not a "notice of assessment" as contemplated in P.D. No. 464 was provided to MERALCO. Thus, only a clarification from this Court as to its two earlier resolutions is necessary in order to put the final nail in the coffin of this case.

While it is true that in this Court's Resolution dated June 29, 2004, it gave the directive to the RTC to "resolve the factual issue of whether or not the Municipal Assessor served copies of Tax Declarations Nos. B-009-05499 to B-009-05502 on the petitioner," this Court made it clear or clarified in its latter Resolution dated March 29, 2005 resolving the motion for reconsideration of the Resolution dated June 29, 2004 that the directive is for the RTC to determine whether or not MERALCO was furnished with a notice of assessment. Specifically, this Court ruled:

> It is in this light that the determination of whether or not petitioner MERALCO was furnished with a notice of assessment is necessary in order that Section 64 of the RPTC would apply to its petition for prohibition before the court *a quo*. If petitioner MERALCO had been furnished with such notice, then its obligation to pay the real property taxes assessed against it has already accrued. Consequently, conformably with Section 64 of the RPTC, the court *a quo* has no jurisdiction over the petition for prohibition for non-payment of petitioner MERALCO of the said taxes. As a corollary, if petitioner MERALCO had not been furnished

> with such notice, then its obligation to pay the taxes assessed against it has not, as yet, accrued. The court *a quo* then has jurisdiction over petitioner MERALCO's petition for prohibition despite non-payment of the said taxes because, in such a case, Section 64 of the RPTC is not applicable.
>
> **As held in the Resolution of June 29, 2004, whether or not petitioner MERALCO was furnished with a notice of assessment is a question of fact. The determination thereof as well as the other factual issues raised by the parties in their pleadings are best undertaken by the court *a quo*.**[17]

Thus, as a guide, this Court, in the same Resolution dated March 29, 2005, went on to discuss the nature and what constitutes a notice of assessment. The following was thus, expounded:

> Section 64 stated that "no court shall entertain any suit assailing the validity of tax assessed under this Code until the taxpayer shall have paid, under portest, the tax assessed against him..." However, in relation to Section 27, the taxpayer's obligation to pay the tax assessed against him arises only upon notification of such assessment. It bears reiterating that the assessment fixes and determines the tax liability of the taxpayer. The basic postulate of fairness thus requires that it is only upon notice of such assessment that the obligation of the taxpayer to pay the same arises. As it was explained in the Resolution of June 29, 2004:
>
> > **An assessment fixes and determines the tax liability of a taxpayer. It is a notice to the effect that the amount therein stated is due as tax and a demand for payment thereof. The assessor is mandated under Section 27 of the law to give written notice within thirty days of such assessment, to the person in whose name the property is declared. The notice should indicate the kind of property being assessed, its actual use and market value, the assessment level and the assessed value. The notice may be delivered either personally to such person or to the occupant in possession, if any, or by mail, to the last known address of the person to be served, or through the assistance of the barrio captain. The issuance of a notice of assessment by the local assessor shall be his last action on a particular assessment. For purposes of giving effect to such assessment, it is deemed made when the notice is released, mailed or sent to the taxpayer. As soon as the notice is duly served, an obligation arises on the part of the taxpayer to pay the amount assessed and demanded.**[18]

It is therefore wrong for the petitioner to allege that among the fundamental rulings in the Resolution dated June 29, 2004 is that a notice of

---

17 *Rollo*, p. 296. (Emphasis ours)

18 *Id.* (Emphasis ours)

assessment is not an existing, fixed, and standard legal form and all that is legal and mandatory in its physical feature or make-up is that it should be in writing, and so long as it is a written advice that, in effect or effectively informs the taxpayer of the essential information that the Real Property Tax Code under P.D. No. 464 obliges such taxpayer to be so informed. A careful reading of the Resolution dated June 29, 2004 does not support such claim of the petitioner. The same Resolution emphasized that a notice of assessment fixes and determines the tax liabilty of a taxpayer and is a notice to the effect that the amount stated therein is due as tax and a demand to pay thereof. This Court also reminded that a notice of assessment as provided for in the Real Property Tax Code should effectively inform the taxpayer of the value of a specific property, or proportion thereof subject to tax, including the discovery, listing, classification, and appraisal of properties. Nowhere does the resolution state that the tax declarations can be considered as notices of assessment. Consequently, having thus discussed the nature and contents of a notice of assessment, the factual issue of whether or not Meralco was furnished with a notice of assessment is necessary to resolve the issues of the case. Hence, being a question of fact, this Court deemed it necessary to remand the case for its proper resolution. To reiterate, the RTC was called upon to resolve the factual issue of whether or not Meralco was furnished with a notice of assessment and not the factual issue of whether or not the Municipal Assessor served copies of Tax Declaration Nos. B-009-05499 to B-009-05502 on Meralco.

What is controlling, therefore, is the directive of this Court contained in its Resolution dated March 29, 2005.

In finding that the municipal assessor of Muntinlupa failed to furnish MERALCO with a notice of assessment, the RTC, in its Order dated September 4, 2006, ruled, thus:

> The Court finds that the municipal assessor of Muntinlupa failed to furnish MERALCO with the mandatory notice of assessment. **This is evident from the admission of respondent that aside from Exhibits "1" to "10" and two letters dated 3 September 1986 and 13 October 1989, no other documents were received by MERALCO in connection with this case (Order dated 24 January 2006).** The Court likewise reverses its ruling that the "transmittal letter" of the then Office of the Municipal Assessor of Muntinlupa and the tax declarations received by the petitioner through its employee Basilio Afuang on November 1985 (Exhibits "1" to "10") are effectively "notices of assessment."
>
> Article VII-K of Assessment Regulations No. 3-75 dated February 10, 1975 otherwise known as the "Rules and Regulations for the Implementation of the Real Property Tax Code (P.D. 464)," specifically paragraph (4) mandates that forms of notice of assessment RPA No. 7 shall be used which may be mimeographed by assessors for their use and that "the notice of assessment and owner's copy of the tax declaration shall be delivered or mailed to property owners within thirty days from

> entry of tax declarations covering the assessment of property in the Record of Assessments."
>
> Undoubtedly, therefore, the two are separate and distinct; hence, the tax declarations and the receipt issued for said tax declarations cannot be considered effectively [sic] notices of assessment. Assessment is deemed made when the notice to this effect is released, mailed or sent to the taxpayer for the purpose of giving effect to said assessment. In other words, without the notice of assessment, there is no valid assessment.[19]

In affirming the RTC, the CA did not err in ruling that the tax declarations cannot be validly considered as a notice of assessment under Section 27 of P.D. No. 464, thus:

> First, a tax declaration is issued pursuant to "Section 22 of P.D. No. 464" which mandates "that upon discovery of real property, the provincial, city or municipal assessor shall make an appraisal and assessment of such real property in accordance with Section 5 of the law, irrespective of any previous assessment on taxpayers valuation thereon," while a notice of assessment is issued pursuant to Section 27 of the law which mandates the "assessor xxx to give written notice within thirty days of such assessment, to the person in whose name the property is declared."
>
> Second, a tax declaration is mandated by Section 22 of P.D. No. 464 to be issued "upon discovery" by the assessor of the "real property" to be appraised and assessed, while a "written notice of assessment" as required by Section 27 of the same law has to be issued by the assessor "within thirty days" from "such assessment."
>
> Third, no tax accrues as a result of the assessor's issuance of a tax declaration, for at that time, the assessor is merely tasked by Section 22 of the law "to determine the assessed value of the property, meaning, the value placed on taxable property for *ad valorem* tax purposes." On the other hand, the written notice of assessment is what ripens into a demandable tax. x x x. [20]

Such factual issue, having been decided by the RTC and affirmed by the CA, may no longer be reversed by this Court. Time and again, this Court has ruled that "the factual findings of the trial court are given weight when supported by substantial evidence and carries more weight when affirmed by the Court of Appeals."[21]

Anent the issue raised by petitioner that the CA decision is *coram non-judice* or a void judgment, this Court finds it to be erroneous. The CA, by formulating and resolving the sole issue of whether or not the RTC erred in holding in its assailed Orders that the petitioner did not provide

---

19 *Id.* at 306-307. (Emphasis ours; citations omitted)

20 *Id.* at 54-55. (Emphases omitted)

21 *Manila Bankers Life Insurance Corp. v. Eddy Ng Kok Wei,* 463 Phil. 871, 878 (2003), citing *Lim v. Chan,* 405 Phil. 496, 502 (2001), citing *Valgosons Realty, Inc. v. Court of Appeals*, G.R. No. 126233, September 11, 1998, 295 SCRA 449, 461.

MERALCO with the notice of assessment envisaged in P.D. No. 464 did not abandon or fail to resolve the other issues raised by the petitioner. Petitioner contends that the following issues raised in his Memorandum[22] have not been resolved by the CA:

> 1. Did or did not the court *a quo* have jurisdiction or authority to issue the "Villarosa Orders #1 and #2' and, assuming it did have such authority, did it abide by the Supreme Court's ruling in G.R. No. 114231 in exercising it?
>
> 2. Were the Tax Declarations Meralco stipulated The City did provide it relative to its suited tax claim effectively the "Notice of Assessment" envisaged in P.D. No. 464?
>
> 3. Given Meralco's stipulation of its actual receipt from The City of the aforementioned Tax Declarations, must or may its Treasurer's Letters of 03 September 1986 and 31 October 1989 still be held to be mere collection letters and not demands for the payment of the amounts stated therein?
>
> 4. Was there a notice of assessment structured as "RPA Form No. 7?"[23]

A close reading of the CA decision in question shows that the above-mentioned issues have been addressed by the appellate court. As aptly pointed out by MERALCO in its Comment dated October 27, 2011:

> Regarding the first issue which the Court of Appeals allegedly did not resolve, it will be noted that the Court of appeals, after quoting on pages 8-10 of its Decision the discussion of the Court En Banc in its Resolution dated March 29, 2005, pertaining to the resolution of the substantive issue raised by the Municipal Treasurer in his Motion for Reconsideration that the applicability of Section 64 of the then Real Property Tax Code is not dependent on the resolution of the issue of whether or not Petitioner was furnished with Notices of Assessment, concluded:
>
> > Thus, the case was remanded to the RTC for the determination of the "question of fact" of whether or not petitioner MERALCO was furnished with a notice of assessment xxx as well as other factual issues raised by the parties in their pleadings xxx.
>
> The trial court in its Orders dated 4 September 2006 and 14 October 2008, respectively, complied with said directive of the Honorable Supreme Court En Banc in its Resolution dated March 29, 2005.
>
> In the Order dated September 4, 2006 (the so-called Villarosa Order #1), the trial court found that the municipal assessor of Muntinlupa failed to furnish Meralco with the mandatory notice of assessment which was evident from the admission of respondent that aside from Exhibits

---

22 *Rollo*, pp. 101-120.

23 *Id.* at 108.

"1" to "10" and the two letters dated 3 September 1986 and 31 October 1989, no other documents were received by MERALCO in connection with this case.

Consequently, the trial court rulings (1) that Meralco's obligation to pay the taxes, has not yet accrued; (2) that the trial court has jurisdiction over petitioner Meralco's petition for prohibition despite non-payment of said taxes because in such a case, Section 64 of P.D. 464 is not applicable; (3) that since the taxes has not, as yet accrued, the three warrants of garnishment against Meralco's bank deposits with the Philippine Commercial Industrial Bank and Trust Company, and Bank of Philippine Islands were prematurely issued and therefore null and void and (4) that the withdrawal of the City Treasurer from the Meralco's bank deposit with the Bank of Philippine Islands by virtue of the null and void writ of garnishment should be refunded to the Meralco, are logical consequences of this aforesaid determination by the trial court in compliance with the directive in the Resolution En Banc dated 29 June 2005. No legal issue was resolved by the trial court.

In view thereof, when the Court of appeals upheld the aforesaid determination by the trial court, in effect ruled that the trial court complied with the Court En Banc Resolutions.

With regard to the second issue, the Court of Appeals ruled:

> Clearly, the tax decalrations referred to as Exhibits "2" and "10-A", and the assesor's letter of transmittal thereof offered in evidence as Exhibit "1" are not either signed singly or collectively, the notice of assessment envisaged in Section 27 of P.D. No. 464.
>
> x x x x x x
> x x x
>
> the Supreme Court could not have been clearer on its point that the tax declaration here cannot be validly considered as a notice of assessment under Section 27 of P.D. No. 464.
>
> First, a tax declaration is issued pursuant to "Section 22 of P.D. No. 464" which mandates "that upon discovery of real property, the provincial, city or municipal assessor shall make an appraisal and assessment of such real property in accordance with Section 5 of the law, irrespective of any previous assessment on taxpayers valuation thereon," while a notice of assessment is issued pursuant to Section 27 of the law which mandates the "assessor xxx to give written notice within thirty days of such assessment to the person in whose name the property is declared."
>
> Second, a tax declaration is mandated by Section 22 of P.D. No. 464 to be issued "upon discovery" by the assessor of the "real property" to be appraised and assessed, while a "written notice of assessment" as required by Section 27 of the same law has to be issued by the assessor "within thirty days" from "such assessment."

> Third, no tax accrues as a result of the assessor's issuance of a tax declaration, for at that time, the assessor is merely tasked by Section 22 of the law "to determine the assessed value of the property, meaning, the value placed on taxable property for *ad valorem* tax purposes." On the other hand, the written notice of assessment is what ripens into a demandable tax.

In view thereof, the Court of appeals ruled on the second issue reaised by respondent City Treasurer.

As to the third issue, the Court of Appeals likewise disposed the same, thus:

> Neither can respondent-appellant validly claim that the Suprme Court would not have "held x x x 'that the aforequoted letters/notices are not the notices of assessment envisaged in Section 27 of P.D. No. 464' but merely rather 'collection letter' as contended by 'Petitioner-appellee,'" had MERALCO not "denied receiving copies of Tax Declarations Nos. B-009-5501 to B-009-5994 prepared by the respondent Municipal Assessor in 1985" because if such were the case, the Supreme Court would not have amended its June 29, 2004 Resolution which originally read:
>
> > The Court further rules that there is a need to remand the case for further proceedings, in order for the trial court to resolve the factual issue of whether or not the Municipal Assessor served copies of Tax Declarations Nos. B-009-05499 to B-009-05502 on [MERALCO], and, if in the affirmative, when [MERALCO] received the same; and to resolve the other issues raised by the parties in their pleadings. It bears stressing that the Court is not a trier of facts.
>
> to what its March 29, 2005 Resolution now clarifies as the issue to be resolved in the remanded case, *viz.:*
>
> > As held in the Resolution of June 29, 2004, whether or not petitioner MERALCO was furnished with a notice of assessment is a question of fact. The determination thereof as well as the other factual issues raised by the parties in their pleadings are best undertaken by the court *a quo.*
>
> Simply put, what the trial court was finally called upon to resolve is the factual issue of "whether or not petitioner MERALCO was furnished with a notice of assessment," and no longer "the factual issue of whether or not the Municipal Assessor served copies of Tax Declaration Nos. B-009-05499 to B-009-05502 on [MERALCO].

As regards the fourth issue raised by respondent, it was no longer necessary for the Court of Appeals to resolve the question if there was a notice of assessment structured as "RPA Form No. 7" when it ruled that -

> In sum, the RTC could not have erred when it found "that the municipal assessor of Muntinlupa failed to furnish MERALCO with the mandatory notice of assessment. This is evident from the admission of respondent that aside from Exhibits "1" to "10" and two letters dated 3 September 1986 and 13 October 1989, no other documents were received by MERALCO in connection with this case.
>
> WHEREFORE, the instant appeal is DISMISSED for lack of merit. The appealed Orders dated September 4, 2006 and October 14, 2008 are hereby AFFIRMED.
>
> SO ORDERED.[24]

Due to the above disquisitions, the other issues raised by petitioner in his present petition have already been adequately addressed by this Court.

WHEREFORE, the Petition for Review on *Certiorari* under Rule 45 of the Rules of Court, dated July 4, 2011 of petitioner Romeo Pucyutan is **DENIED** for lack merit. Consequently, the Decision dated October 22, 2010 and Resolution dated May 27, 2011, both of the Court of Appeals, are **AFFIRMED.**

SO ORDERED.

DIOSDADO M. PERALTA
Associate Justice

WE CONCUR:

PRESBITERO J. VELASCO, JR.
Associate Justice
Chairperson

---

[24] *Id.* at 270-273. (Emphases omitted)

JOSE PORTUGAL PEREZ
Associate Justice

BIENVENIDO L. REYES
Associate Justice

FRANCIS H. JARDELEZA
Associate Justice

ATTESTATION

I attest that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

PRESBITERO J. VELASCO, JR.
Associate Justice
Chairperson, Third Division

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution and the Division Chairperson's Attestation, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

MARIA LOURDES P. A. SERENO
Chief Justice

CERTIFIED TRUE COPY
WILFREDO V. LAPITAN
Division Clerk of Court
Third Division
MAY 26 2016