

S. No. 2712
H. No. 6673

Republic of the Philippines
Congress of the Philippines
Metro Manila

Twelfth Congress

Third Regular Session

Begun and held in Metro Manila, on Monday, the twenty-eighth day
of July, two thousand three.

[**REPUBLIC ACT NO. 9282**]

**AN ACT EXPANDING THE JURISDICTION OF THE COURT
OF TAX APPEALS (CTA), ELEVATING ITS RANK TO
THE LEVEL OF A COLLEGIATE COURT WITH
SPECIAL JURISDICTION AND ENLARGING ITS
MEMBERSHIP, AMENDING FOR THE PURPOSE
CERTAIN SECTIONS OF REPUBLIC ACT NO. 1125, AS
AMENDED, OTHERWISE KNOWN AS THE LAW
CREATING THE COURT OF TAX APPEALS, AND FOR
OTHER PURPOSES**

*Be it enacted by the Senate and House of Representatives of
the Philippines in Congress assembled:*

SECTION 1. Section 1 of Republic Act No. 1125, as amended,
is hereby further amended to read as follows:

“SECTION 1. *Court; Justices; Qualifications; Salary; Tenure.* – There is hereby created a Court of Tax Appeals (CTA) which shall be of the same level as the Court of Appeals, possessing all the inherent powers of a Court of Justice, and shall consist of a Presiding Justice and five (5) Associate Justices. The incumbent Presiding Judge and Associate Judges shall continue in office and bear the new titles of Presiding Justice and Associate Justices. The Presiding Justice and the most Senior Associate Justice shall serve as chairmen of the two (2) Divisions. The additional three (3) Justices and succeeding members of the Court shall be appointed by the President upon nomination by the Judicial and Bar Council. The Presiding Justice shall be so designated in his appointment, and the Associate Justices shall have precedence according to the date of their respective appointments, or when the appointments of two (2) or more of them shall bear the same date, according to the order in which their appointments were issued by the President. They shall have the same qualifications, rank, category, salary, emoluments and other privileges, be subject to the same inhibitions and disqualifications, and enjoy the same retirement and other benefits as those provided for under existing laws for the Presiding Justice and Associate Justices of the Court of Appeals.

“Whenever the salaries of the Presiding Justice and the Associate Justices of the Court of Appeals are increased, such increases in salaries shall be deemed correspondingly extended to and enjoyed by the Presiding Justice and Associate Justices of the CTA.

“The Presiding Justice and Associate Justices shall hold office during good behavior, until they reach the age of seventy (70), or become incapacitated to discharge the duties of their office, unless sooner removed for the same causes and in the same manner provided by law for members of the judiciary of equivalent rank.”

SEC. 2. Section 2 of the same Act is hereby amended to read as follows:

“SEC. 2. *Sitting En Banc or Division; Quorum; Proceedings.* – The CTA may sit *en banc* or in two (2) Divisions, each Division consisting of three (3) Justices.

“Four (4) Justices shall constitute a quorum for sessions *en banc* and two (2) Justices for sessions of a Division: *Provided*, That when the required quorum cannot be constituted due to any vacancy, disqualification, inhibition, disability, or any other lawful cause, the Presiding Justice shall designate any Justice of other Divisions of the Court to sit temporarily therein.

“The affirmative votes of four (4) members of the Court *en banc* or two (2) members of a Division, as the case may be, shall be necessary for the rendition of a decision or resolution.”

SEC. 3. Section 3 of the same Act is hereby amended to read as follows:

“SEC. 3. *Clerk of Court; Division Clerks of Court; Appointment; Qualification; Compensation.* - The CTA shall have a Clerk of Court and three (3) Division Clerks of Court who shall be appointed by the Supreme Court. No person shall be appointed Clerk of Court or Division Clerk of Court unless he is duly authorized to practice law in the Philippines. The Clerk of Court and Division Clerks of Court shall exercise the same powers and perform the same duties in regard to all matters within the Court’s jurisdiction, as are exercised and performed by the Clerk of Court and Division Clerks of Court of the Court of Appeals, in so far as the same may be applicable or analogous; and in the exercise of those powers and the performance of those duties they shall be under the direction of the Court. The Clerk of Court and the Division Clerks of Court shall have the same rank, privileges, salary, emoluments, retirement and other benefits as those provided for the Clerk of Court and Division Clerks of Court of the Court of Appeals, respectively.”

SEC. 4. Section 4 of the same Act is hereby amended to read as follows:

"SEC. 4. *Other Subordinate Employees.* - The Supreme Court shall appoint all officials and employees of the CTA, in accordance with the Civil Service Law. The Supreme Court shall fix their salaries and prescribe their duties."

SEC. 5. Section 5 of the same Act is hereby amended to read as follows:

"SEC. 5. *Disqualifications.* - No Justice or other officer or employee of the CTA shall intervene, directly or indirectly, in the management or control of any private enterprise which in any way may be affected by the functions of the Court. Justices of the Court shall be disqualified from sitting in any case on the same grounds provided under Rule one hundred thirty-seven of the Rules of Court for the disqualification of judicial officers. No person who has once served in the Court in a permanent capacity, either as Presiding Justice or as Associate Justice thereof, shall be qualified to practice as counsel before the Court for a period of one (1) year from his retirement or resignation."

SEC. 6. Section 6 of the same Act is hereby amended to read as follows:

"SEC. 6. *Place of Office.* - The CTA shall have its principal office in Metro Manila and shall hold hearings at such time and place as it may, by order in writing, designate."

SEC. 7. Section 7 of the same Act is hereby amended to read as follows:

"SEC. 7. *Jurisdiction.* - The CTA shall exercise:

"(a) Exclusive appellate jurisdiction to review by appeal, as herein provided:

"(1) Decisions of the Commissioner of Internal Revenue in cases involving disputed assessments, refunds of internal revenue taxes, fees or other charges, penalties in relation thereto, or other matters arising under the

National Internal Revenue Code or other laws administered by the Bureau of Internal Revenue;

“(2) Inaction by the Commissioner of Internal Revenue in cases involving disputed assessments, refunds of internal revenue taxes, fees or other charges, penalties in relation thereto, or other matters arising under the National Internal Revenue Code or other laws administered by the Bureau of Internal Revenue, where the National Internal Revenue Code provides a specific period for action, in which case the inaction shall be deemed a denial;

“(3) Decisions, orders or resolutions of the Regional Trial Courts in local tax cases originally decided or resolved by them in the exercise of their original or appellate jurisdiction;

“(4) Decisions of the Commissioner of Customs in cases involving liability for customs duties, fees or other money charges, seizure, detention or release of property affected, fines, forfeitures or other penalties in relation thereto, or other matters arising under the Customs Law or other laws administered by the Bureau of Customs;

“(5) Decisions of the Central Board of Assessment Appeals in the exercise of its appellate jurisdiction over cases involving the assessment and taxation of real property originally decided by the provincial or city board of assessment appeals;

“(6) Decisions of the Secretary of Finance on customs cases elevated to him automatically for review from decisions of the Commissioner of Customs which are adverse to the Government under Section 2315 of the Tariff and Customs Code;

“(7) Decisions of the Secretary of Trade and Industry, in the case of nonagricultural product, commodity or article, and the Secretary of Agriculture in the case of agricultural product, commodity or article, involving dumping and countervailing duties under Sections 301 and 302, respectively, of the Tariff and Customs Code, and

safeguard measures under Republic Act No. 8800, where either party may appeal the decision to impose or not to impose said duties.

“(b) Jurisdiction over cases involving criminal offenses as herein provided:

“(1) Exclusive original jurisdiction over all criminal offenses arising from violations of the National Internal Revenue Code or Tariff and Customs Code and other laws administered by the Bureau of Internal Revenue or the Bureau of Customs: *Provided, however,* That offenses or felonies mentioned in this paragraph where the principal amount of taxes and fees, exclusive of charges and penalties, claimed is less than One million pesos (P1,000,000.00) or where there is no specified amount claimed shall be tried by the regular Courts and the jurisdiction of the CTA shall be appellate. Any provision of law or the Rules of Court to the contrary notwithstanding, the criminal action and the corresponding civil action for the recovery of civil liability for taxes and penalties shall at all times be simultaneously instituted with, and jointly determined in the same proceeding by the CTA, the filing of the criminal action being deemed to necessarily carry with it the filing of the civil action, and no right to reserve the filing of such civil action separately from the criminal action will be recognized.

“(2) Exclusive appellate jurisdiction in criminal offenses:

“(a) Over appeals from the judgments, resolutions or orders of the Regional Trial Courts in tax cases originally decided by them, in their respective territorial jurisdiction.

“(b) Over petitions for review of the judgments, resolutions or orders of the Regional Trial Courts in the exercise of their appellate jurisdiction over tax cases originally decided by the Metropolitan Trial Courts, Municipal Trial Courts and Municipal Circuit Trial Courts in their respective jurisdiction.

“(c) Jurisdiction over tax collection cases as herein provided:

“(1) Exclusive original jurisdiction in tax collection cases involving final and executory assessments for taxes, fees, charges and penalties: *Provided, however,* That collection cases where the principal amount of taxes and fees, exclusive of charges and penalties, claimed is less than One million pesos (P1,000,000.00) shall be tried by the proper Municipal Trial Court, Metropolitan Trial Court and Regional Trial Court.

“(2) Exclusive appellate jurisdiction in tax collection cases:

“(a) Over appeals from the judgments, resolutions or orders of the Regional Trial Courts in tax collection cases originally decided by them, in their respective territorial jurisdiction.

“(b) Over petitions for review of the judgments, resolutions or orders of the Regional Trial Courts in the exercise of their appellate jurisdiction over tax collection cases originally decided by the Metropolitan Trial Courts, Municipal Trial Courts and Municipal Circuit Trial Courts, in their respective jurisdiction.”

SEC. 8. Section 10 of the same Act is hereby amended to read as follows:

“SEC. 10. *Power to Administer Oaths; Issue Subpoena; Punish for Contempt.* – The Court shall have the power to administer oaths, receive evidence, summon witnesses by *subpoena* and require the production of papers or documents by *subpoena duces tecum*, subject in all respects to the same restrictions and qualifications as applied in judicial proceedings of a similar nature. The Court shall, in accordance with Rule seventy-one of the Rules of Court, have the power to punish for contempt for the same causes, under the same procedure and with the same penalties provided therein.”

SEC. 9. Section 11 of the same Act is hereby amended to read as follows:

"SEC. 11. *Who May Appeal; Mode of Appeal; Effect of Appeal.* - Any party adversely affected by a decision, ruling or inaction of the Commissioner of Internal Revenue, the Commissioner of Customs, the Secretary of Finance, the Secretary of Trade and Industry or the Secretary of Agriculture or the Central Board of Assessment Appeals or the Regional Trial Courts may file an appeal with the CTA within thirty (30) days after the receipt of such decision or ruling or after the expiration of the period fixed by law for action as referred to in Section 7(a)(2) herein.

"Appeal shall be made by filing a petition for review under a procedure analogous to that provided for under Rule 42 of the 1997 Rules of Civil Procedure with the CTA within thirty (30) days from the receipt of the decision or ruling or in the case of inaction as herein provided, from the expiration of the period fixed by law to act thereon. A Division of the CTA shall hear the appeal: *Provided, however,* That with respect to decisions or rulings of the Central Board of Assessment Appeals and the Regional Trial Court in the exercise of its appellate jurisdiction, appeal shall be made by filing a petition for review under a procedure analogous to that provided for under Rule 43 of the 1997 Rules of Civil Procedure with the CTA, which shall hear the case *en banc*.

"All other cases involving rulings, orders or decisions filed with the CTA as provided for in Section 7 shall be raffled to its Divisions. A party adversely affected by a ruling, order or decision of a Division of the CTA may file a motion for reconsideration or new trial before the same Division of the CTA within fifteen (15) days from notice thereof: *Provided, however,* That in criminal cases, the general rule applicable in regular Courts on matters of prosecution and appeal shall likewise apply.

"No appeal taken to the CTA from the decision of the Commissioner of Internal Revenue or the Commissioner of Customs or the Regional Trial Court, provincial, city or municipal treasurer or the Secretary of Finance, the

Secretary of Trade and Industry or the Secretary of Agriculture, as the case may be, shall suspend the payment, levy, distraint, and/or sale of any property of the taxpayer for the satisfaction of his tax liability as provided by existing law: *Provided, however,* That when in the opinion of the Court the collection by the aforementioned government agencies may jeopardize the interest of the Government and/or the taxpayer the Court at any stage of the proceeding may suspend the said collection and require the taxpayer either to deposit the amount claimed or to file a surety bond for not more than double the amount with the Court.

“In criminal and collection cases covered respectively by Section 7(b) and (c) of this Act, the Government may directly file the said cases with the CTA covering amounts within its exclusive and original jurisdiction.”

SEC. 10. Section 13 of the same Act is hereby amended to read as follows:

“SEC. 13. *Decision; Maximum Period for Termination of Cases.* - Cases brought before the Court shall be decided in accordance with Section 15, paragraph (1), Article VIII (Judicial Department) of the 1987 Constitution. Decisions of the Court shall be in writing, stating clearly and distinctly the facts and the law on which they are based, and signed by the Justices concurring therein. The Court shall provide for the publication of its decisions in the *Official Gazette* in such form and manner as may best be adopted for public information and use.

“The Justices of the Court shall each certify on their applications for leave, and upon salary vouchers presented by them for payment, or upon the payrolls under which their salaries are paid, that all proceedings, petitions and motions which have been submitted to the Court for determination or decision for a period required by the law or the Constitution, as the case may be, have been determined or decided by the Court on or before the date of making the certificate, and no leave shall be granted and no salary shall be paid without such certificate.”

SEC. 11. Section 18 of the same Act is hereby amended as follows:

“SEC. 18. *Appeal to the Court of Tax Appeals En Banc.* – No civil proceeding involving matters arising under the National Internal Revenue Code, the Tariff and Customs Code or the Local Government Code shall be maintained, except as herein provided, until and unless an appeal has been previously filed with the CTA and disposed of in accordance with the provisions of this Act.

“A party adversely affected by a resolution of a Division of the CTA on a motion for reconsideration or new trial, may file a petition for review with the CTA *en banc*.”

SEC. 12. Section 19 of the same Act is hereby amended as follows:

“SEC. 19. *Review by Certiorari.* – A party adversely affected by a decision or ruling of the CTA *en banc* may file with the Supreme Court a verified petition for review on *certiorari* pursuant to Rule 45 of the 1997 Rules of Civil Procedure.”

SEC. 13. *Distrain of Personal Property and/or Levy on Real Property.* – Upon the issuance of any ruling, order or decision by the CTA favorable to the national government, the CTA shall issue an order authorizing the Bureau of Internal Revenue, through the Commissioner to seize and distrain any goods, chattels, or effects, and the personal property, including stocks and other securities, debts, credits, bank accounts, and interests in and rights to personal property and/or levy the real property of such persons in sufficient quantity to satisfy the tax or charge together with any increment thereto incident to delinquency. This remedy shall not be exclusive and shall not preclude the Court from availing of other means under the Rules of Court.

SEC. 14. *Retention of Personnel; Security of Tenure; Upgrading of Positions and Salaries.* – All existing permanent personnel of the CTA shall not be adversely affected by this Act. They shall continue in office and shall not be removed or separated from the service except for cause as provided for by existing laws. Further, the present positions and salaries of personnel shall be upgraded to the level of their counterparts in the Court of Appeals.

SEC. 15. *Transitory Provisions.* – In consonance with the above provisions, the incumbent Presiding ~~Judges~~ and Associate Judges shall comprise a Division pending the constitution of the entire Court.

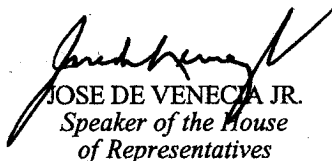
SEC. 16. *Appropriations.* – The amount necessary to carry out the provisions of this Act shall be included in the General Appropriations Act of the year following its enactment into law and thereafter.

SEC. 17. *Repealing Clause.* – All laws, executive orders, executive issuances or letter of instructions, or any part thereof, inconsistent with or contrary to the provisions of this Act are hereby deemed repealed, amended or modified accordingly.

SEC. 18. *Separability Clause.* – If for any reason, any section or provision of this Act shall be declared unconstitutional or invalid, the other parts thereof not affected thereby shall remain valid.

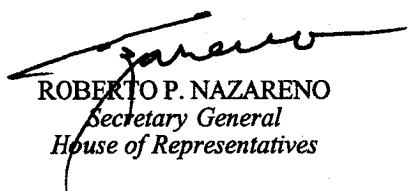
SEC. 19. *Effectivity Clause.* – This Act shall take effect after fifteen (15) days following its publication in at least two (2) newspapers of general circulation.


Approved,


JOSE DE VENECIA JR.
*Speaker of the House
of Representatives*

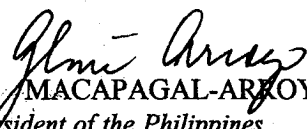

FRANKLIN M. DRILON
President of the Senate

This Act which is a consolidation of S. No. 2712 and H. No. 6673 was finally passed by the Senate and the House of Representatives on December 8, 2003 and February 2, 2004, respectively.


ROBERTO P. NAZARENO
*Secretary General
House of Representatives*


OSCAR G. YABES
Secretary of the Senate

Approved: **MAR 3 0 2004**


GLORIA MACAPAGAL-ARROYO
President of the Philippines

