

103 Phil. 770

[ G.R. No. L-7451. May 26, 1958 ]

**HACIENDA LUISITA, PROPERTY OF COMPAÑIA GENERAL DE TABACOS DE FILIPINAS, PETITIONER, VS. BOARD OF TAX APPEALS, RESPONDENT.**

**D E C I S I O N**

**REYES, J.B.L., J.:**

Appeal taken against a decision of the defunct Board of Tax Appeals upholding the resolution of the Board of Assessment Appeals for the province of Tarlac, that sustained a 40% increase in the assessed values of certain portions of the Hacienda Luisita.

The record demonstrates that early in 1953, the Provincial Assessor of Tarlac notified the manager of the Hacienda Luisita (owned and operated by Compañia General de Tabacos de Filipinas) that the assessment of its portions covered by Tax Declarations Nos. 25473 to 25477 in the municipality of La Paz, and Nos. 7065 to 7067 in the municipality of Concepcion, would be increased by 40% on the average, in accordance with the new schedule of values approved by the Secretary of Finance. The hacienda administrator appealed to the Provincial Board of Assessment Appeals, which sustained the Assessor. Upon application to the Department Secretary, the matter was referred to the Board of Tax Appeals where the case was heard and argued, but with equally unfavorable results to the appellant. The latter then resorted to this Court for a final decision.

Appellant contends that in assessing the value of the hacienda lands, the Assessor refused or failed to take into account the losses amounting to P2,400,168.00 suffered by appellant during the Japanese occupation; the fact that after liberation the sum of P591,905.69 had to be invested for its rehabilitation; that during the first years of postwar operation, the hacienda lost P26,685.70; and that the hacienda was mortgaged for almost three million

pesos and had to pay amortizations totalling close to two million on its mortgages and outstanding bonded indebtedness.

The complaints are without merit. As pointed out by the appealed decision, such items of losses, investments, and indebtedness do not affect the value of the lands subjected to reassessment, in the absence of proof that the losses were due to deterioration of the lands themselves. Appellant's argument evidences a failure to distinguish between the intrinsic value of the land (upon which the assessment is based) and the profit or loss from its exploitation, that has nothing to do with the lands themselves but concerns exclusively the business of the entity operating the Hacienda.

It is not denied that under Commonwealth Act No. 470 (Assessment Law), taxable real property should be assessed at its true and full value; and appellant has not shown that the Assessor failed to take into account any factors that relate to such value, like the quality, income, productivity, location, accessibility, improvements or use of the property, that would increase or decrease either its utility or its exchange value. Some of the items claimed as reducing factors (for example, the rehabilitation investment) actually increase the value of the rehabilitated land rather than decrease it.

Finally, it is a well known fact that the values tended to increase after liberation. Whether or not the rise was due to a decrease in the purchasing power of the currency may be disputed, but the increase undoubtedly exists.

That the Provincial Assessor acted upon the reports of his assistants, and did not personally inspect the property, does not affect the legality or validity of the assessment made upon the Assessor's official authority or responsibility. In the absence of legal prohibition, *Qui facit per aliud facit per se*.

The foregoing considerations dispose of the case on its merits, and render it unnecessary to rule on the lack of legal personality of the Hacienda, which was not raised in the proceedings below.

The decision appealed from is affirmed. Costs against appellant. So ordered.

*Paras C.J., Bengzon, Montemayor, Reyes, A., Bautista Angela, Labrador, Concepcion, Endencia and Felix, JJ., concur.*

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