

****Title:**** City of Manila, et al. vs. Coca-Cola Bottlers Philippines, Inc.: A Case of Business Taxation and Alleged Double Taxation

****Facts:****

This case originated from the City of Manila's assessment of local business taxes against Coca-Cola Bottlers Philippines, Inc. (respondent) for the third and fourth quarters of 2000. Previously exempt from taxes under Section 21 of Tax Ordinance No. 7794 due to already paying taxes under Section 14 of the same ordinance, the respondent faced new assessments following the enactment of Tax Ordinance No. 7988 and Tax Ordinance No. 8011. These ordinances amended No. 7794 by increasing tax rates and removing an exemption proviso.

The City of Manila's assessment led to Coca-Cola filing a protest and subsequently a court action when the City Treasurer did not respond. The RTC initially dismissed Coca-Cola's claim but reversed its decision upon Coca-Cola's motion for reconsideration, aligning with a Supreme Court ruling declaring Tax Ordinances No. 7988 and No. 8011 null and void.

The City of Manila then appealed to the Court of Tax Appeals (CTA), which dismissed the appeal for being filed out of time and non-compliance with procedural requirements. Upon denial of its motion for reconsideration with the CTA, the City of Manila elevated the case to the Supreme Court.

****Issues:****

1. Whether the Petition for Review filed by the City of Manila complied with the reglementary period for appeal.
2. The applicability and control of the Supreme Court's prior ruling in a related case.
3. The City of Manila's authority to assess taxes under Sections 14 and 21 of Ordinance No. 7794.
4. Whether enforcing business taxes under Section 21 constitutes double taxation.

****Court's Decision:****

The Supreme Court denied the Petition for Review on Certiorari. It ruled that:

1. The CTA erred in dismissing the City of Manila's Petition for Review for being filed out of time, but this error was moot given non-compliance with other procedural requirements.
2. The prior ruling on the nullity of Tax Ordinances No. 7988 and No. 8011 is applicable and

binding, rendering assessments under these ordinances invalid.

3. Despite the nullification of Ordinances No. 7988 and No. 8011, the original provisions of Tax Ordinance No. 7794, including the exemption proviso in Section 21, remained in effect, making the respondent exempt from additional taxes asserted by the City of Manila under Section 21.

4. The imposition of taxes under both Sections 14 and 21 constituted double taxation which is prohibited.

****Doctrine:****

The case reiterates the doctrine against double taxation, emphasizing that taxing the same subject twice by the same jurisdiction for the same thing is impermissible. Furthermore, it underscores the principle that ordinances declared null and void have no legal effect, including any amendments made by such ordinances.

****Class Notes:****

- ****Double Taxation:**** Taxing the same subject twice by the same jurisdiction for the same purpose is not allowed. This principle is central to disputes involving local business taxes under different sections of a tax ordinance.
- ****Legal Effect of Nullification:**** When ordinances are declared null and void, any changes they introduced are disregarded. Enacted amendments by such ordinances have no legal standing.
- ****Compliance with Rules of Procedure:**** Litigants must strictly adhere to procedural requirements, such as filing periods and the provision of the necessary number of copies and documents, for their appeals to be considered.
- ****Reglementary Period for Filing Appeals:**** In tax cases, the initial 30-day period to file a Petition for Review can be extended once by 15 days, with a subsequent extension only for compelling reasons and not exceeding another 15 days.

****Historical Background:****

This case illustrates the complexities and procedural intricacies involved in the imposition and contestation of local business taxes within the Philippine legal framework, demonstrating the interaction between local government units and commercial entities under the Local Government Code and related tax ordinances. It exemplifies the judiciary's role in resolving disputes arising from tax assessments, the requirement of strict adherence to procedural rules in legal proceedings, and the consequences of legislative bodies

enacting invalid ordinances.