

Title: Team Pacific Corporation vs. Josephine Daza in Her Capacity as Municipal Treasurer of Taguig

Facts:

1. **Initial Operations and Tax Payments**: Team Pacific Corporation (TPC), a domestic corporation engaging in assembling and exporting semiconductor devices, began operations in 1999 at the FTI Complex in Taguig. TPC paid local business taxes at half the rate, per Section 75(c) of Ordinance No. 24-93 (Taguig Revenue Code), consistent with Section 143(c) of Republic Act No. 7160 (Local Government Code of 1991).
2. **2004 Assessment**: Upon renewing its business license in 2004, TPC was assessed P208,109.77 in business taxes for the first quarter by Josephine Daza, the Municipal Treasurer of Taguig. Daza applied the full value rates instead of the one-half rate.
3. **Protest**: TPC paid the assessed tax under protest and filed a written protest on January 19, 2004, contesting the full-rate assessment. They supported their position with Section 143(c) of the Local Government Code and guidelines from the Department of Finance's Local Finance Circular No. 4-93.
4. **Demand for Refund**: TPC demanded a refund or tax credit of P104,054.88 on April 13, 2004, asserting overpayment. Subsequently, they filed a Rule 65 petition for certiorari on April 15, 2004, as their protest remained unaddressed beyond the 60-day period prescribed by the Local Government Code.
5. **Municipal Treasurer's Response**: Daza, via Atty. Marianito Miranda, notified TPC that their business did not qualify for the reduced tax rate since semiconductors were not among the essential commodities listed in the applicable local and national codes. Daza filed her comment on June 25, 2004, supporting the assessment and emphasizing TPC's failure to appeal within the prescribed 30-day period after the supposed denial of their protest.
6. **Subsequent Legal Actions**: TPC filed their reply on July 14, 2004, insisting on the lack of formal denial of their protest and the lack of jurisdiction by Daza. The Regional Trial Court (RTC) of Pasig City dismissed TPC's petition for certiorari on April 5, 2005, deeming an ordinary appeal the appropriate remedy.
7. **Supreme Court Petition**: TPC sought review by the Supreme Court on April 28, 2005, contending both procedural and substantive issues.

Issues:

1. Whether TPC availed of the correct remedy against the assessment when it filed its petition for certiorari before the RTC.
2. Whether TPC, as an exporter of semiconductor devices, should be assessed business taxes at the full rate instead of the one-half rate per Section 75(c) of the Taguig Revenue Code and Section 143(c) of the Local Government Code.

Court's Decision:

1. ****Correct Remedy****:

- The Supreme Court ruled that the proper remedy for TPC was an ordinary appeal to the Regional Trial Court, not a petition for certiorari. Section 195 of the Local Government Code provides a 30-day period to appeal the local treasurer's decision, either upon explicit denial or after the lapse of the 60-day decision period.
- The Supreme Court established that Daza's actions were not judicial or quasi-judicial functions, thus disqualifying the use of Rule 65 certiorari. TPC used the wrong mode of appeal, leading to the finality of the RTC's decision dismissing their petition.

2. ****Tax Assessment Rate****:

- Given the procedural error in choosing the mode of appeal, the Supreme Court did not delve into the substantive issue regarding the proper rate of business tax applicable to TPC as an exporter of semiconductor devices. The Court limited its ruling to procedural correctness.

Doctrine:

1. ****Appropriate Legal Remedy****:

- Rule 65 certiorari is only available against a tribunal, board, or officer exercising judicial or quasi-judicial functions. Failure to choose the appropriate mode of legal redress, such as an ordinary appeal, renders the decision final and executory.

2. ****Finality of Judicial Decisions****:

- The perfection of an appeal within the statutory period is mandatory and jurisdictional. Non-compliance results in the conclusive and unmodifiable finality of the decision.

Class Notes:

- ****Section 195, Local Government Code****:
- Establishes the process for protesting assessments by a local treasurer and the strict

timelines for appeals.

- **Section 143(c), Local Government Code**:
- Outlines tax rates for various businesses, including exporters of specified essential commodities at reduced rates.

- **Rule 65, Rules of Civil Procedure**:
- Specifies conditions under which certiorari can be sought, emphasizing its use against entities exercising judicial or quasi-judicial functions.

Historical Background:

- The case emphasizes the need for clear procedural adherence in administrative appeals against tax assessments. It highlights the judiciary's stance on procedural consistency and their reluctance to entertain cases where legislative steps are bypassed or misunderstood. This case serves as a precedent stressing the sanctity of procedural rules in tax-related disputes and the rigidity of the appeal process as legislated in the Local Government Code. It reflects the balance between local government's tax assessment rights and the protections afforded to businesses under Philippine law.