

****Title: China Banking Corporation vs. City Treasurer of Manila****

****Facts:****

1. ****Assessment and Initial Payment****: In January 2007, the City Treasurer of Manila (Petitioner) assessed China Banking Corporation (CBC) for local business tax, business permits, and other fees amounting to PHP 267,128.70 based on CBC's reported income of PHP 34,310,777.34 for the year ending December 31, 2006. CBC paid this amount on January 15, 2007, while formally protesting an additional business tax of PHP 154,398.50 under Section 21 of the Manila Revenue Code Ordinance Nos. 7988 and 8011, claiming double taxation.

2. ****Subsequent Communications****:

- On February 8, 2007, the City Treasurer acknowledged receipt of CBC's payment and indicated awaiting a formal protest.

- On March 27, 2007, CBC reiterated its protest through another letter, contending that the City Treasurer failed to act within the mandated period, hence demanding a refund of PHP 154,398.50 as determined by applying Section 195 of the Local Government Code (LGC).

3. ****RTC Proceedings****: On April 17, 2007, CBC filed a Petition for Review with the Regional Trial Court (RTC) of Manila, Branch 173, docketed as Civil Case No. 07-117075. The RTC ruled in favor of CBC, ordering the refund of PHP 154,398.50, noting the unconstitutionality of Ordinance Nos. 7988 and 8011 as per the Department of Justice (DOJ) opinion and related pronouncements.

4. ****CTA Division Appeal****: The City Treasurer filed a Motion for Reconsideration which was denied by the RTC, prompting CBC's appeal to the CTA Division, which reversed the RTC's decision. The CTA Division ruled that CBC's filing was one day late, thus making the City Treasurer's assessment final and conclusive.

5. ****CTA En Banc Appeal****: CBC's appeal to the CTA En Banc affirmed the CTA Division's decision due to untimeliness in the filing of the appeal, upholding the finality of the City Treasurer's assessment.

6. ****Supreme Court Petition****: Dissatisfied with the decisions of the CTA Division and CTA En Banc, CBC petitioned the Supreme Court.

****Issues:****

1. **Whether the CTA En Banc erred in upholding the decision to dismiss CBC's refund claim due to the alleged late filing by one day.**
2. **Validity of the assessment made by the City Treasurer under Ordinance Nos. 7988 and 8011, deemed unconstitutional in previous rulings.**

Court's Decision:

1. **Timeliness of Appeal:** The Supreme Court upheld that CBC's appeal was indeed filed one day late. Section 195 of the Local Government Code prescribes a clear procedural timeline: taxpayers have 60 days to file a protest from the assessment notice receipt and 30 days after the denial or lapse of the 60-day period to lodge an appeal with the court. CBC failed to comply, thus forfeiting its right to contest the assessment.
2. **Jurisdiction of the RTC:** The Supreme Court stated that even if CBC's petition was timely, the RTC did not have jurisdiction over the matter. With Republic Act No. 9282 defining that the Court of Tax Appeals solely has appellate jurisdiction over local tax cases, the proper forum for CBC's appeal was the Metropolitan Trial Court given the claim's amount was below RTC's jurisdictional threshold.

Doctrine:

- **Strict Compliance with Procedural Rules:** The ruling emphasizes the importance of adhering to procedural timelines which are jurisdictional, hence indispensable for the exercise of judicial review.
- **Clarification on Jurisdiction:** Appeals from decisions of local treasurers involving local tax assessments are subject to meticulous jurisdictional requisites; cases with amounts below specific thresholds are fit for lower courts rather than RTCs.

Class Notes:

1. **Elements of a Valid Protest (Local Government Code Section 195):**
 - Timely filing of the initial protest within 60 days.
 - Authority and duty of a local treasurer to decide on the protest within 60 days.
 - Proper addressing of inaction by appealing within 30 days after the prescribed period.
2. **Jurisdictional Authority:**
 - RTC's jurisdiction is circumscribed by statutes like RA 9282 and BP 129.
 - Matters involving monetary claims below PHP 100,000 (or PHP 200,000 in Metro Manila)

fall under first-level courts.

3. **Relevant Statutes**:

- Local Government Code Section 195
- Republic Act No. 9282, Sections 7(a)(3)
- Batas Pambansa Blg. 129, Section 33

4. **Case Reference**:

- Coca-Cola Bottlers Philippines, Inc. v. City of Manila
- Yamane v. BA Lepanto Condominium Corporation

Historical Background:

This case arose within the framework of local taxing ordinances enforced under municipal laws. Particularly, Section 21 of Ordinance Nos. 7988 and 8011 was scrutinized both for its compliance with constitutional mandates and procedural adherence, creating a touchstone for later cases about double taxation and jurisdictional merits in tax disputes. The evolving jurisprudence showcases the judicial balance between citizens' rights and municipal authorities.