

Title: People of the Philippines vs. Gloria F. Tuyay

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Facts:

1. **June 25, 2003**: Assistant Commissioner of the BIR issued a Letter of Authority (LOA) to examine books of Glo Herbal Trading and Manufacturing for taxable years 2000-2002.
2. **Non-compliance**: Tuyay failed to submit the books of account, leading BIR to use the expenditure method for assessment.
3. **June 10, 2004**: BIR issued assessment notices for deficiency in income tax and VAT for the years 2001 and 2002, totaling over PHP 110 million.
4. **June 3, 2005**: BIR filed a criminal complaint with the DOJ for violations of Sections 254 and 255 of the NIRC.
5. **August 20, 2009**: DOJ found probable cause and recommended filing criminal cases against Tuyay.
6. **October 23, 2009**: Information against Tuyay filed with CTA; cases raffled to different divisions.
7. **February 21, 2008**: Tuyay filed for tax amnesty under RA 9480.
8. **June 21, 2011**: Tuyay moved to dismiss the cases, citing immunity from criminal liability due to her tax amnesty application.
9. **August 9, 2011**: CTA Third Division denied Tuyay's motion.
10. **October 4, 2011**: CTA Third Division dismissed the criminal case against Tuyay.
11. **March 5, 2012**: CTA En Banc dismissed the BIR's appeal due to lack of proof of deputized authority by BIR prosecutors.

Issues:

1. **Validity of the IRR of RA 9480**: Whether criminal cases pending with the DOJ disqualify an individual from availing the benefits of the tax amnesty law.
2. **Representation Authority**: Whether the CTA En Banc erred in not recognizing the deputized authority of the BIR Special Prosecutors to file an appeal.
3. **Wrong Remedy**: Whether the BIR's use of Rule 65 instead of Rule 45 constitutes an error.

Court's Decision:

1. **Representation Authority**:

- CTA En Banc did not recognize the authority of BIR Special Prosecutors as there was no timely proof of deputization by the OSG.
- Although the petitioner eventually submitted the required documents, this was done in a second motion for reconsideration, which is not allowed.

2. **Validity of the IRR of RA 9480**:

- Here, the Court found that the inclusion of “filed in court or in the Department of Justice” in Section 5.5 of the IRR went beyond the scope of RA 9480.
- Congress intended that only those with pending cases in court are disqualified. The IRR cannot override this provision.

3. **Wrong Remedy**:

- The Supreme Court held that the BIR should have availed appellate review under Rule 45 rather than certiorari under Rule 65.
- The petition was dismissed as it was filed under the wrong procedural rules.

Doctrine:

Tax Amnesty Application: Only those with pending criminal cases in actual courts at the time of application are ineligible for tax amnesty. Administrative agencies cannot expand or limit statutory provisions through IRRs.

Class Notes:

- **Elements of Tax Evasion (NIRC Sec. 254)**:
 - Willful attempt to evade or defeat tax.
 - Tax due and payable.
 - Proved by extrinsic evidence showing taxpayer’s deliberate act.
- **Tax Amnesty Law RA 9480**:
 - Grants amnesty on unpaid internal revenue taxes for 2005 and prior years.
 - Exceptions include those with pending criminal cases in court (not DOJ).
- **Procedural Points**:
 - Wrong procedural remedy (Rule 65 vs. Rule 45) can lead to dismissal.
 - Representation by proper authority (OSG for government cases) is essential.

Historical Background:

****RA 9480 Context****: Enacted to offer relief for taxpayers and increase voluntary compliance, intending to collect back taxes efficiently by excluding lengthy litigations. However, administrative overreach through IRRs went beyond legislative intent, causing discrepancies in application.