

Title:

****Philippine Ports Authority v. City of Davao, CA-G.R. SP No. 00735-MIN****

Facts:

The case began when the Philippine Ports Authority (PPA), created under Presidential Decree No. 857, received a tax assessment notice from the City Assessor of Davao on June 17, 2004, for real property taxes on properties at Sasa Port. The PPA contested the assessment and appealed via registered mail to the Local Board of Assessment Appeals (LBAA) through the Davao City Treasurer's Office on August 2, 2004. The appeal was only received by the relevant authorities in mid-August and early September 2004.

During the pendency of the appeal, the City of Davao issued a notice declaring the sale of delinquent properties, which included the quay, parcel of land, and administrative building covered by specific tax declarations. The LBAA dismissed PPA's appeal on January 25, 2005, citing untimeliness and lack of jurisdiction over tax exemption claims. PPA escalated the matter to the Central Board of Assessment Appeals (CBAA), which also denied the appeal in an April 7, 2005 decision. This prompted PPA to appeal to the Court of Tax Appeals (CTA).

Simultaneously, the properties subject to the dispute were sold to the City of Davao at a public auction. PPA claimed it was not notified of the levy or auction and filed a petition for certiorari with the Court of Appeals (CA), requesting an injunction against Davao City's tax collection actions. While the CA case was ongoing, the CTA ruled in favor of PPA on July 30, 2007, declaring the properties tax-exempt and voiding the Davao City tax assessments. This decision became final on February 13, 2008.

Despite the CTA's decision, the CA dismissed PPA's petition on December 15, 2008, and denied a subsequent motion for reconsideration on September 11, 2009. Consequently, PPA filed a Petition for Review on Certiorari under Rule 45 with the Supreme Court, asserting the CA's partial jurisdictional overstep and forum shopping accusation were incorrect.

Issues:

1. ****Jurisdiction****: Whether the CA had jurisdiction to grant injunctive relief.
2. ****Forum Shopping****: Whether PPA committed forum shopping by having simultaneous cases in CA and CTA.

Court's Decision:

1. ****Jurisdiction****:
 - The Supreme Court concluded that the Court of Tax Appeals (CTA) had exclusive

jurisdiction over the appeal as outlined in Section 7 of Republic Act No. 1125, amended by Republic Act No. 9282. This law entrusts CTA with appeals from the Central Board of Assessment Appeals (CBAA) involving real property tax.

- The urgency claimed by PPA for injunctive relief does not divest CTA of its jurisdiction. The CTA has the power to issue auxiliary writs, including injunctions, necessary to preserve its jurisdiction. Thus, the CA does not have jurisdiction where the CTA is granted exclusive authority.

2. **Forum Shopping**:

- The rule against forum shopping exists to prevent multiple cases involving the same parties and issues, potentially leading to contradictory judgments.

- The SC affirmed the CA's findings of forum shopping since PPA failed to substantiate that the reliefs and causes of action in the CA differed from those in the CTA. The failure to provide texts of the petition and appeal meant the Court had to defer to CA's determination.

Doctrine:

- **Exclusive Jurisdiction of the CTA**: CTA holds exclusive jurisdiction over appeals involving real property tax assessments made by the CBAA. This reinforces the provision of comprehensive judicial review powers to specialized tribunals in taxation matters (Section 7, RA No. 1125, as amended by RA No. 9282).

- **Forum Shopping and Split Jurisdiction**: Filing a case in a different court over the same issue already within another court's jurisdiction constitutes forum shopping and disrupts judicial order. The doctrine reasserts importance of single tribunal jurisdiction over related disputes to avoid conflicts.

Class Notes:

- **Key Elements of Tax Jurisdiction**:

- Jurisdiction is statutory - references should be made to specific laws governing appeals and tax disputes.

- Courts must rely on statutory provisions to claim or refuse jurisdiction.

- **Forum Shopping in Legal Practice**:

- Simultaneous similar cases in multiple courts compromise judicial efficiency.

- Courts generally disallow forum shopping to preserve judicial integrity and prevent conflicting decisions.

- **Important Statutory Provisions**:

- Section 7, Republic Act No. 1125 (as amended by RA No. 9282)
- Doctrine establishing that the tribunal with initial jurisdiction holds comprehensive powers (including issuance of auxiliary writs).

Historical Background:

The PPA v. City of Davao case underscores pivotal junctures in defining jurisdictional boundaries between the CA and CTA. During this period, the Philippine judiciary emphasized streamlining roles of specialized tribunals such as the CTA, thereby enhancing the efficacy of tax adjudication processes. It echoes the post-enactment period of RA No. 9282, which intensified CTA's judicial capacities and coherent administration of tax justice.