

COLLECTOR OF INTERNAL REVENUE, PETITIONER, VS. GOODRICH INTERNATIONAL RUBBER CO., RESPONDENT.

G.R. No. L-22265. March 27, 1968

Ponente: REYES, J.B.L., Acting C.J.

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REYES, J.B.L., Acting C.J.:

In the decision of December 22, 1967, this Court modified that of the Court of Tax Appeals, and ruled that respondent's alleged representation expenses were fully taxable; it also reduced the claim for bad debts up to P22,627.35 only.

Petitioner-appellant Collector of Internal Revenue has now filed a motion for reconsideration praying that the Court order also the payment by respondent of 5% surcharge and 1% monthly interest as provided in section 51(e) of the National Internal Revenue Code (before it was amended by Republic Act No. 2343). The respondent Goodrich International Rubber Co. opposes this motion on the ground that this claim for surcharge and monthly interest was not specifically pointed out in petitioner's assignment of errors.

It appearing, however, that the imposition of the 5% surcharge and 1% monthly interest is required expressly by the statute, the Court believes that the failure to assign it as error should not be an obstacle to its imposition where proper, considering that "taxes are the life-blood of the government and their prompt and certain availability an imperious need" (Bull v. U. S., 79 L. Ed. 1421, 1427).

Finding the motion for reconsideration meritorious, the dispositive part of our main decision is hereby modified by adding a paragraph reading as follows:

"The respondent is therefore ordered:

"(1) To pay the sum of P8,439.00, as deficiency income tax for 1952, plus the 5% surcharge and 1% monthly interest thereon from July 20, 1956 until full payment thereof; and

"(2) To pay the sum of P7,612.66 as deficiency income tax for 1951, plus the 5% surcharge and 1% monthly interest, thereon from December 29, 1957 until full payment thereof."

SO ORDERED.

Dizon, Makalintal, Bengzon, Zaldivar, Sanchez, Castro, Angeles, and Fernando, JJ., concur.

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