

CITY OF CABANATUAN ET AL., PETITIONERS, VS. THE HON. MAGNO S. GATMAITAN, ET AL., RESPONDENTS.

G.R. No. L-19129. February 28, 1963

Ponente: BAUTISTA ANGELO, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/10c734282ef9/>

BAUTISTA ANGELO, J.:

This is a petition for certiorari with injunction filed by the City of Cabanatuan, et al. seeking to annul the order of respondent judge dated September 2, 1961 denying their motion to quash the writ of execution issued in Civil Case No. 44646 of the Court of First Instance of Manila on the ground that the same was issued in excess of his jurisdiction. The Court issued the writ prayed for upon petitioners' filing a bond in the amount of P1,000.00.

The Manila Railroad Company is a government-owned and controlled corporation duly organized under Act No. 1510 and Executive Order No. 399, known as the "Uniform Charter for Government Corporations." Since 1907, said company has been engaged in operating a railroad transportation business and for that purpose it acquired several parcels of land located in Cabanatuan City and covered by O.C.T. Nos. 181, 1878, 615 and 605.

The City of Cabanatuan revised the assessment of said lots in 1948, and again in 1956, and assessed thereon the amount of P41,806.68 as real estate taxes, including penalties, allegedly due for the years 1945 to 1949. Because of a demand made by the City of Cabanatuan that said taxes be paid as otherwise the lots would be forfeited, the company paid under protest the aforesaid amount on November 27, 1959. Basis of the protest is the company's claim that it is exempt from the payment of real estate taxes under the provisions of Section 1(12) of its charter, Act No. 1510. Whereupon, the company filed on November 7, 1960 a complaint before the Court of First Instance of Manila seeking to recover the taxes it had paid under protest on the ground that their assessment and collection were unwarranted and illegal.

The City of Cabanatuan set up as a defense that the parcels of land on which the taxes in question were assessed and collected are not exempt from taxation under the provisions of the company's charter because the same are not devoted for the purposes of its transportation business but for uses not contemplated within its charter in line with an opinion rendered by Secretary of Justice Pedro Tuason.

The case having been submitted on a stipulation of facts, the court a quo on January 27, 1961 rendered judgment holding that the claim for exemption of the company is in accordance with law and as a consequence it ordered the City of Cabanatuan to refund to it the sum of P41,806.68, with legal interest thereon from November 27, 1959, plus costs.

This decision having become final, the court a quo in due course issued the corresponding writ of execution. Thereupon, the City of Cabanatuan filed a motion to quash raising for the first time the issue that the court a quo had no jurisdiction to act on the case it involving the correctness of a tax assessment which comes under the competence of the Court of Tax Appeals. When this motion was denied, the City of Cabanatuan interposed the present petition for certiorari.

Petitioner contends that the action taken by respondent company is in the form of an appeal from the assessment made by the City of Cabanatuan on some properties of said respondent for purposes of real estate tax which was erroneously brought before the court of first instance, and under Section 7, paragraph 5, Republic Act 1125 the proper court to which said appeal should be taken is the Court of Tax Appeals and not the Court of First Instance of Manila. And this is so because, petitioner contends, the Court of Tax Appeals has exclusive appellate jurisdiction to review on appeal decisions of Provincial or City Boards of Assessment Appeals in cases involving the assessment and taxation of real property or other matters arising under the Assessment Law, including rules and regulations relative thereto, which shows that what respondent should have done was to appeal from the assessment made by the corresponding city officials to the City Board of Assessment Appeals and in case of Adverse decision to appeal to the Court of Tax Appeals as provided for in Republic Act 1125.

Section 7 of Republic Act 1125, invoked by petitioner, provides:

"Sec. 7. Jurisdiction. - The Court of Tax Appeals shall exercise exclusive appellate jurisdiction to review by appeal, as herein provided—

- (1) Decisions of the Collector of Internal Revenue in cases involving disputed assessments, refunds of internal revenue taxes, fees or other charges, penalties imposed in relation thereto, or other matters arising under the National Internal Revenue Code or other law or part of law administered by the Bureau of Internal Revenue;
- (2) Decisions of the Commissioner of Customs in cases involving liability for customs duties, fees or other money charges; seizure, detention or release of property affected; fines, forfeitures or other penalties imposed in relation thereto; or other matters arising under the Customs Law or other law or part of law administered by the Bureau of Customs; and
- (3) Decisions of provincial or city Boards of Assessment Appeals in cases involving the assessment and taxation of real property or other matters arising under the Assessment Law, including rules and regulations relative thereto."

It would appear that the Court of Tax Appeals is given exclusive appellate jurisdiction to review by appeal (1) decisions of the Collector of Internal Revenue in cases involving disputed assessments, refunds of internal revenue taxes, or other matters arising under the National Internal Revenue Code; (2) decisions of the Commissioner of Customs in cases involving liability for customs duties or other matters arising under the Customs Law; and (3) decisions of Provincial or City Boards of Assessment Appeals in cases involving the assessment and taxation of real property or other matters arising under the Assessment Law. If the case involves a matter which is not enumerated or contemplated in the provision above-quoted, it is not appealable to the Court of Tax Appeals. It comes under the jurisdiction of the court of first instance.

The instant case involves the refund of certain real estate tax assessed and collected by the treasurer of the City of Cabanatuan by virtue of an assessment made under the Assessment Law. It does not involve the refund of an internal revenue tax or of a matter that arises under the National Internal Revenue Code. Since the law only allows the refund of an internal revenue tax, or any other matter arising under the National Internal Revenue Code in order that it may come under the appellate jurisdiction of the Court of Tax Appeals, we have necessarily to exclude from its jurisdiction the refund of customs duties or real estate taxes that come under the Customs Law or Assessment Law under the principle of *exclusio unius est exclusio alterius*.

It is true that when the assessment of the real estate tax in question was made by the City of Cabanatuan respondent company could have appealed from the assessment to the City Board of Assessment Appeals as provided for in Republic Act 1125. But the company found no other alternative than to pay considering that the City of Cabanatuan pressed the payment of the tax with the warning that if it fails to do so it would forfeit its

properties to the city. As a result, the company paid the tax under protest and forthwith brought the instant action for its refund. Moreover, if the real estate tax has already been paid it is futile for a taxpayer to take the matter to the City Board of Assessment Appeals for the jurisdiction of that body is merely confined to the determination of the reasonableness of the assessment or taxation of the property and is not extended to the authority of requiring the refund of the tax unlike cases involving assessment of internal revenue taxes. In the circumstances, we hold that this case comes under the jurisdiction of the proper court of first instance it involving the refund of a real estate tax which does not come under the appellate jurisdiction of the Court of Tax Appeals.

Wherefore, petition is dismissed. The decision of the court a quo is affirmed. The writ of injunction issued by this Court is hereby dissolved. No costs.

Bengzon, C. J., Padilla, Labrador, Concepcion, Reyes, J. B. L., Barrera, Paredes, Dizon, Regala, and Makalintal, JJ., concur.

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.