

ADRIANO CHUA JOY, PETITIONER-APPELLEE, VS. THE COLLECTOR OF INTERNAL REVENUE, RESPONDENT-APPELLANT

G.R. No. L-10961. February 28, 1958

Ponente: BENGZON, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/6437c00a9ec3/>

BENGZON, J.:

This is an appeal from the decision of the Court of Tax Appeals dated May 25, 1956, declaring null and void the distraint and levy issued by the Collector of Internal Revenue on January 26 same year, and ordering him to desist from taking any further proceedings thereunder and to return the properties seized,

Said decision was issued upon a motion for judgment on the pleadings in a Petition for Review with Preliminary Injunction by Adriano Chua Joy, which was duly answered by respondent official. The facts as shown by the pleadings are these:

On August 10, 1948, the Collector of Internal Revenue assessed against petitioner as war profits tax, surcharge included, the sum of P20,145.00 and as income tax, surcharge included, the total amount of P123,529.14 for the years 1938, 1939, 1940, 1941, 1945 and 1946. Petitioner disputed the assessments, but expressed willingness to pay liabilities up to P19,187.74. The Collector insisted on his assessment and on January 26, 1956, issued a warrant of distraint and levy which was served upon petitioner and executed on February 9, 1956, by the seizure of his three motorships Neptune, Apolo and Diana and some motor vehicles and office equipment. Sale at public auction of such properties was set for May 26, 1956.

On March 9, 1956, this petition was filed.

After considering memoranda submitted by the parties, the Court of Tax Appeals held that in view of the number of years that had passed from the time of assessment in 1948 the Collector of Internal Revenue lost the power to collect in 1956 the taxes allegedly due by the summary method of distraint and levy, in view of the provision of sec. 51(d) of the National Internal Revenue Code, which is also applicable to war profits taxes.

"In the case at bar," explained the Court below, "the records do not show the dates when the returns were made and filed. Even if we were to be very liberal to the respondent and assume that the returns were made and filed on the same day when the assessment was made, that is, on August 10, 1948, and count the three-year statutory period of limitation from said date, undoubtedly, the authority of the Collector of Internal Revenue to collect the income tax assessed against petitioner for the years 1938, 1939, 1940, 1941, 1945 and 1946 by distraint and levy or by any other summary method had already long prescribed when the warrant of distraint and levy was issued and executed on February 9, 1956, more than seven (7) years and five (5) months after the assessment in question was made. Accordingly, the said warrant of distraint and levy was issued in violation of sec. 51(d) of the Revenue Code."

And the Court cited several decisions of this Tribunal in support of its view.[1]

The appellant insists that the Court of Tax Appeals has no power or jurisdiction to restrain or enjoin the collection of taxes by distraint. This issue has been decided against the Government in *Collector v. Reyes*, G. R. No. L-8695,

January 21, 1957 and Collector v. Zulueta G. R. No. L-8840, February 8, 1957; Collector v. Avelino L-9202, November 19, 1956; Collector v. Aznar L-10370, January 31, 1958, which are cases similar to this. In fairness to appellant, however, it must be stated that this appeal was perfected and the appellant's brief was filed on or before October 12, 1956.

Appellant further insists that the prescription period for the collection of these taxes has been suspended by the several requests for reconsideration filed by respondent Adriano Chua Joy. However, this case was submitted to the Court of Tax Appeals on the parties' pleadings, which do not mention such requests. And the expediente before us does not show any document in support of such defense against the taxpayer's plea of prescription.

No reversible error in the appealed decision. It is therefore affirmed.

Paras, C.J., Padilla, Montemayor, Reyes, A., Bautista Angelo, Labrador, Concepcion, Reyes, J.B.L., Endencia and Felix, JJ., concur.

[1]Collector of Internal Revenue v. Villegas, 56 Phil. 554 Juan de la Viña v. Government of the Philippines., 65 Phil. 262; Collector of Internal Revenue v. Haygood, 65 Phil. 520; Phil. Sugar Estate Development Co., Inc. v. Posadas, 68 Phil. 216.

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.