

CARMEN PLANAS, PETITIONER, VS. COLLECTOR OF INTERNAL REVENUE, RESPONDENT.

G.R. No. L-15934. October 31, 1961

Ponente: CONCEPCION, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/777219101f27/>

CONCEPCION, J.:

Petition for review by certiorari of a resolution of the Court of Tax Appeals directing the execution of a judgment of the defunct Board of Tax Appeals.

In February 1950, petitioner Carmen Planas received a communication from the then Collector (now Commissioner) of Internal Revenue, advising her that her war profit tax and surcharge had been assessed at P81,723.30. Upon reinvestigation, on her request, the assessment was reduced to P77,991.35. Petitioner asked another reinvestigation, in consequence of which her war profit tax assessment was further reduced to P47,847.15, computed as follows:

"Assets

Cash

P4,000.00

Jewelries

8,000.00

Furniture

2,000.00

Books, etc.

1,000.00

Other personal properties

1,000.00

Automobile

2,000.00

Building material

1,810.00

Advances

1,500.00

Folgueras property

P5,008.00

R. Papa property

40,642.00

Excelsior property

60,870.00

Total Assets

P21,310.00

P106,520.00

"Liabilities

Eugenia Lim

P14,600.00

Net Worth

P21,310.00

P91,920.00

Net worth on February 26, 1945

P91,920.00

Net worth on December 8, 1941

P21,310.00

Increase in net worth

P70,610.00

Interest deduction

4,112.83

Balance

P66,497.17

Exemption

6,000.00

Increase in net worth subject to tax

P60,497.17

Tax due thereon

31,898.30

Plus: 50% surcharge

P15,949.15

Total Tax and surcharge

P47,847.45"

Petitioner appealed to the Secretary of Finance, but, before the latter could dispose of the matter, the Board of Tax Appeals was created by Executive Order No. 401-A, dated January 5, 1951. This notwithstanding, she insisted that a decision be rendered by said officer, who eventually affirmed the action taken by the Collector of Internal Revenue. Petitioner brought the case on appeal to said Board of Tax Appeals, which, on May 29, 1952, after appropriate proceedings, affirmed the decision of said two (2) officers, except as to the value of petitioner's jewels, which was increased from P8,000.00 to P15,000. Petitioner appealed from the decision of the Board of Tax Appeals to the Supreme Court, where the case was docketed as G. R. No. L-5866. By a minute resolution, dated March 30, 1954, this Court dismissed the appeal, without prejudice, "following the decision in the case of University of Sto. Tomas vs. Board of Tax Appeals, 93 Phil., 376; 49 Off. Gaz. (6) 7745." The Solicitor General moved for a reconsideration of said resolution, but the motion was denied on February 11, 1955.

Meanwhile, or on June 16, 1954, Republic Act No. 1125 creating respondent Court of Tax Appeals had been approved. On or about September 9, 1958, the Solicitor General filed with such Court, a motion for the execution of the aforementioned decision of the Board of Tax Appeals. Despite petitioner's objection thereto, the motion was granted in a resolution adopted on June 10, 1959, with the concurrence of the Presiding Judge and an Associate Judge of the Court of Tax Appeals, and the dissent of the other Associate Judge thereof. A petition for reconsideration of said resolution had the same result.

Petitioner maintains that the resolution of the Court of Tax Appeals directing the issuance of a writ of the execution of the decision of the Board of Tax Appeals should be reversed, because said decision was neither valid nor final or executory, and because respondent is estopped from enforcing said decision.

In *University of Sto. Tomas vs. Board of Tax Appeals* supra, we granted a petition for certiorari and prohibition to enjoin the Board of Tax Appeals from hearing an appeal of the University of Santo Tomas from an income tax

assessment of the Collector of Internal Revenue, upon the ground that the provisions of the Executive Order No. 401-A conferring upon said Board exclusive jurisdiction over all appeals from decisions of the Collector of Internal Revenue in cases involving disputed assessments and other matters arising under the National Internal Revenue Code, in effect deprived courts of first instance of their jurisdiction to act on such cases; that the grant of said jurisdiction "comes within the exclusive power of Congress"; and that said provisions are, accordingly, "null and void" insofar as they interfere with the jurisdiction of said courts of first instance. This implied that said Board had no jurisdiction over said internal revenue cases, and that, necessarily, its decisions therein are null and void, subject only, pursuant to section 21 of Republic Act No. 1125, to two (2) exceptions, namely: (a) cases previously decided by the Board of Tax Appeals and thence appealed to the Supreme Court, which shall decide said cases as if said Executive Order No. 401-A had been duly enacted by Congress; and (b) cases pending in the Board of Tax Appeals at the time of the approval of said Act, which "shall be transferred to the Court of Tax Appeals and shall be heard and decided by the latter to all intents and purposes as if they had been originally filed therein".

As a consequence, when, relying upon the U.S.T. case, this Court, in its resolution of March 30, 1954, dismissed, without prejudice, petitioner's appeal from the decision of the Board of Tax Appeals dated May 29, 1952, it implied that such decision was, as it is, null and void. Indeed, the case at bar does not fall under the above-mentioned exceptions. It was not pending in this Court at the time of the approval of Republic Act No. 1125. Neither was it then pending in the Board of Tax Appeals, for the same had decided it two (2) years prior to the approval of said legislation.

The Court of Tax Appeals held that this case should be considered pending in the Board of Tax Appeals in May 1954, because its decision was then pending execution. This theory is, however, untenable, for: (1) our aforementioned resolution of March 30, 1954, dismissing the appeal from said decision, without prejudice, in line with the doctrine laid down in the U.S.T. case, necessarily implied that said decision of the Board of Tax Appeals was null and void, and, hence, it could never be executed; (2) the theory that it was then pending execution is predicated upon the assumption that the decision had already become executory, which is inconsistent with said dismissal of the appeal, without prejudice, since the same implied a recognition and a reservation of petitioner's right to still question, by appropriate proceedings, her alleged liability for war profit tax; and (3) the second exception under section 21 refers evidently to cases, not, as yet, heard and decided by the Board of Tax Appeals, for such cases were still to be "heard and decided" by the Court of Tax Appeals.

It is next urged by the government that section 21 of Republic Act No. 1125 had the effect of validating all acts of the Board of Tax Appeals, and that petitioner having failed to appeal from the decision thereof, either to the Court of Tax Appeals, or to a court of first instance, said decision had become final and executory. The first part of this pretense is inaccurate. Said section 21 virtually validated the proceedings of the Board of Tax Appeals in the two (2) cases therein specified—which do not include the one at bar—not all acts of said Board. The second part of respondent's pretense overlooks the fact that a decision that is null and void, such as that rendered by the Board of Tax Appeals in the present case, for want of jurisdiction, is not a decision in contemplation of law and, hence, it can never become executory.

It is true that in *Sta. Clara Lumber Co., Inc. vs. Court of Tax Appeals*, G. R. No. L-9833 (December 21, 1957), we ruled that:

"As indicated by the Tax Court, after dismissal of its appeal the Sta. Clara's remedy was to sue in the Manila court of first instance, after paying the assessment. Thereafter, upon the establishment of the Court of Tax Appeals, its remedy was an appeal to such Court within the thirty-day period."

and that, seemingly, petitioner herein, has taken none of the steps thus adverted to. Still said void decision of the

Board of Tax Appeals did not, and could not have, become executory in consequence of said omission. Viewed from any angle, there was, therefore, no decision of the Board of Tax Appeals that respondent Court of Tax Appeals could have ordered executed.

This conclusion renders consideration of appellant's plea of estoppel unnecessary.

Wherefore, the resolution of June 10, 1959, is hereby set aside, without special pronouncement as to costs. It is so ordered.

Bengzon, C. J., Padilla, Bautista Angelo, Labrador, Reyes, J. B. L., Paredes, Dizon, and De Leon, 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.