

COMMISSIONER OF CUSTOMS, PETITIONER, VS. ESSO STANDARD EASTERN, INC., (FORMERLY STANDARD-VACUUM OIL COMPANY) AND HONORABLE COURT OF TAX APPEALS, RESPONDENTS.*G.R. No. L-29078. January 09, 1976*

Ponente: ESGUERRA, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/be695d311596/>**ESGUERRA, J.:**

This is an appeal by the herein petitioner from the decision of the Court of Tax Appeals holding herein private respondent ESSO Standard Eastern, Inc. (formerly Standard-Vacuum Oil Company, and ESSO for short) exempt from the payment of the special import tax levied under Republic Act No. 1394 on importations of equipment, materials and supplies made by private respondent and used by it in its petroleum exploration concessions. These importations were made in accordance with certain privileges granted by Republic Act No. 387, otherwise known as the Petroleum Act of 1949.

The judgment of respondent Court of Tax Appeals, aside from declaring that the term "customs duty" under Article 103, of Republic Act No. 387 includes the special import tax, ordered that petitioner refund to private respondent the amount of P7,072.00 representing the total amount the latter paid under protest as special import taxes.

Respondent ESSO is holder of Refining Concessions No. 2, issued by the Secretary of Agriculture and Natural Resources on December 9, 1957, and operates a petroleum refining plant in Limay, Bataan. Under the Petroleum Act of 1949 (Republic Act No. 387) which grants to any oil exploration and development concessionaire the privilege of importing, free of customs duty, all equipment, machinery, materials, instruments, supplies and accessories for its own use, herein private respondent imported and was assessed, but paid under protest, the special import tax on the following:[1]

- 1) 4,000 bags of Bentanite, covered by Bill of Lading No. YM-2 dated June 30, 1959 and by Entry No. 052207, series of 1959; paid under Protest No. 400, the special import tax in the amount of P1,250.00;
- 2) 8 drums of drilling mud additives; paid the special import tax in the sum of P86.00 under Protest No. 401;
- 3) 1 box of pump parts covered by Entry No. 057678; under Protest No. 402 paid the special import tax in the amount of P133.00;
- 4) Under Protests Nos. 403 and 403-A, covered by Entry No. 051858, involving the payment of the sums of P857.00 and P1,722.00 respectively, as special import taxes, on shipment of 3 boxes of oil well drilling equipment and a shipment of 1 box of oil well drilling machinery parts, respectively;
- 5) 100 bags of Lignex, covered by Entry No. 064343, and under Protest No. 404 paid as special import tax the amount of P194.00;
- 6) 1 box of oil well drilling machinery, covered by Entry No. 060599, and under Protest No. 405 paid as special import tax the amount of p1,505.00;

7) 1 box, oil well supplies, covered by Entry No. 065488 and under Protest No. 406 paid as special import tax the amount of P132.00;

8) 1,000 bags of drilling mud additives, covered by Entry No. 046741 and under Protest No. 407 paid as special import tax the amount of P1,393.00.

After hearing, the Collector of Customs of the Port of Manila overruled the protests and denied private respondent's petition for refund of the protested special import tax payments. This ruling was appealed to the Commissioner of Customs who, in a decision rendered on December 14, 1965, and received by herein respondent on December 27, 1965, affirmed the Manila Port Collector's ruling. This decision of the Commissioner of Customs was elevated by private respondent ESSO to the Court of Tax Appeals on January 25, 1966, and in a decision dated May 6, 1968, the Court of Tax Appeals reversed the judgment of herein petitioner and ordered the refund to ESSO of the amount of P7,072.00 representing the total sum paid under protest as special import tax.[2]

This case, in all its essential ingredients, is identical with another one between the same parties earlier brought before this Tribunal for resolution and decided on August 7, 1975.[3] Except for the kind of articles imported, the two cases are completely the same: The parties involved, the facts and the circumstances, the issues raised and litigated and even the legal arguments presented by the principal protagonists are identical.

The Esso Standard Eastern, Inc., ESSO for short, in the earlier case (L-28329), as in the present case, invoking the Petroleum Act of 1949 (Republic Act No. 387), imported machineries, equipment and other items for use in its oil development concession, and the Collector of Customs of Manila assessed and imposed on the importations certain amounts as special import tax, under R.A. No. 1394. ESSO, as it did in the present case, paid the special import levy under protest, and, as in the case at bar, lost the protest in a ruling handed down by the Collector of Customs. Again, as in the present one, the herein private respondent appealed the ruling of the Collector to the Commissioner of Customs who sustained the judgment of his subordinate. This adverse decision was elevated to the Court of Tax Appeals which in turn reversed the decision of the Commissioner of Customs. Hence, as in the case at bar, the latter appealed the said decision of the herein respondent Court of Tax Appeals to this Court and the decision was affirmed by Us.

We repeat, the two cases being identical in all their essential aspects, this Court feels that the rationale and decision in G.R. No. L-28329 may as well be applied to the present case.

Wherefore, the present petition of the Commissioner of Customs to review and reverse the decision of the Court of Tax Appeals should be, as it is hereby, dismissed. No costs.

Teehankee, (Chairman), Makasiar, Muñoz Palma, and Martin, JJ., concur.

[1] Brief for the Respondent, pp. 2-6; Rollo, p. 56; Appellant's Brief, pp. 3-6; Rollo, p. 29.

[2] Decision, Annex "A", Petition for Review, Rollo, pp. 14-22.

[3] Commissioner of Customs vs. Esso Standard Eastern, Inc. (formerly Standard-Vacuum Oil Refining Corp., Phil.) G.R. No. L-28329.

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